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Murayama and Clinton Press to End Conflict On Auto Sales to Japan

By Alan Friedman
International Herald Tribune

HALIFAX, Nova Scotia — After four weeks of refusing to budge, Japan and the United States displayed a new willingness on Thursday to try to end their bitter trade dispute over cars and car parts.

At a news conference after a meeting here that came just hours before the start of the annual economic summit meeting of the Group of Seven industrial nations, President Bill Clinton and Prime Minister Tomichi Murayama agreed to instruct their negotiators to go ahead and seek a speedy resolution to the conflict.

Both leaders said the mandate being given to negotiators, who will hold talks in Geneva next Thursday and Friday, did not include any particular change in their positions. Instead, they were being told to do their best to strike a deal.

With Mr. Murayama at his side, Mr. Clinton said: "On the difficult issue of autos and auto parts we agreed that our negotiators should redouble their efforts to seek a solution when they meet in Geneva next week. But I made it clear that I am determined to carry through on my effort to open Japan's auto markets."

Mr. Murayama said he hoped that the talks in Geneva next week would "lead to a settlement."

Mr. Clinton also said that he remained committed to imposing \$5.9 billion of punitive tariffs on Japanese car imports by June 28 if no deal is struck by then.

But aides to Mr. Clinton and to Mr.

Murayama said the two were also eager to make sure that the sharp differences over American auto sales to Japan should not damage the overall relationship between the two countries.

In addition, the two governments wanted to make sure their trade dispute did not mar the G-7 summit meeting, which opened with a working dinner Thursday evening at which Canada's prime minister, Jean Chrétien, was the host.

Mr. Clinton noted that he and his Japanese counterpart agreed that no single issue or dispute "will undermine our alliance."

Japanese officials admitted in private, meanwhile, that Tokyo had made a concession to Washington on Wednesday, when Trade Minister Ryutaro Hashimoto agreed to drop preconditions for the resumption of talks on cars and car parts.

Since last month, Japan has repeatedly said that it would not resume talks unless the United States withdrew its threat of sanctions and its insistence on numerical targets to measure progress in opening up the Japanese automobile market.

The two leaders were at pains to emphasize the positive side of their relationship, discussing what one Japanese official called their "common agenda for global cooperation." This included such issues as women in development, AIDS research, Japan's presiding at the forthcoming APEC summit meeting in Osaka in November, the accord on North Korea's nuclear research, and cooperation between the United States and Japan in defense and security.

A Vote of No-Confidence From a Hong Kong 'Icon'

By Kevin Murphy
International Herald Tribune

HONG KONG — After a decade of the most, interwoven ties of government and business in colonial Hong Kong, Baroness Lydia Dunn, the first Chinese named to Britain's House of Lords, announced her decision on Thursday to quit Hong Kong for family reasons by the end of the year.

As symbols of the decline of Britain's empire go, in Hong Kong terms at least, Lady Dunn's departure is akin to the Boston Tea Party or the Indian Mutiny of 1857.

Like the disappearance of Queen Elizabeth's profile from local coins and the dropping of the name "Royal" from exclusive local golf and horse-racing clubs, the move marks the inevitable transformation under way in Hong Kong.

But for the tens of thousands of wealthy Hong Kong families contemplating similar moves just before, or soon after, China takes over on July 1, 1997, Lady Dunn's choice is painfully current and familiar.

"This was the hardest decision I've ever made in my life," Lady Dunn said at a news conference at the headquarters of Swire Pacific Ltd., a penthouse filled with

pricey relics of Hong Kong's colonial and Chinese past. "Hong Kong is where I was born and where I belong."

Chasing the desire of her British husband, Michael Thomas, who is a former attorney general of Hong Kong, to relocate to London, Lady Dunn will relinquish her post in Hong Kong's Executive Council, the top local advisory panel to Governor Chris Patten.

But she will retain directorships with the pillars of the local business establishment, the colonial-era trading house John Swire and Sons Hong Kong, Cathay Pacific Airways and the Hong Kong and Shanghai Bank Corp., while taking on a new role as executive director of the Swire Group in London.

Said to privately disagree with Britain's decision to chart a confrontational path with China over political reform in Hong Kong, which she refuted at Thursday's news conference, Lady Dunn has slowly lost influence in Hong Kong policy-making decisions since Mr. Patten arrived in 1992.

At the same time, the emergence of a new power-broking elite in local business and political circles that supports Beijing in disputes with London over Hong

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QUAKE SURVIVOR — A rescue unit pulling a Belgian tour guide, Murielle Petit, out of the debris of a collapsed hotel where she was trapped for 11 hours as a strong earthquake rocked Egeon, Greece, killing at least 17. Page 5.

For Lady Thatcher, It's Payback Time

By Fred Barbash
Washington Post Service

LONDON — Like a vengeful ghost in a Shakespearean drama, Margaret Thatcher has returned.

She stalks not a castle, but the airwaves, the newspapers, the bookstores and the lecture halls of London. She haunts those who tormented her, and some who did not, bawling the fate of her legacy.

How it has been squandered, she says, "everything I believed in." How they have strayed. And how they are now paying the

terrible price: disastrous ratings in the opinion polls.

Such is the message being delivered by Lady Thatcher this week. She is plugging her new book: "Margaret Thatcher: The Path to Power." But the person getting plugged full of holes is John Major, the prime minister, who took her place in 1990, after she was deposed in a party push. Her party colleagues decided that they could not win the next election with her, and they ousted her.

She got a taste. Mr. Major got the prize. And for the last week, she has been getting even.

While declaring repeatedly that she wants to do nothing to make Mr. Major's life miserable, she has done nothing but that, attacking virtually all of her successor's policies, domestic and foreign.

Those who took her place, she has said, have wrecked the relationship with the United States, overtaxed the British people, overspent their money and allowed the "bureaucrats" who run the European Union to run this country as well.

In summary, as she told Sky News television on Tuesday, she believes she left Mr. Major a mess.

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Higher Cancer Risk Seen In Women on Hormones

By David Brown
Washington Post Service

WASHINGTON — A woman who takes the hormone estrogen after menopause in an effort to avoid heart disease and osteoporosis runs a slightly higher chance of developing breast cancer, according to a new study.

The finding, based on the experience of 122,000 nurses whose health was followed for 16 years, is likely to make many women and doctors re-evaluate the usefulness of hormone-replacement therapy, whose popularity has risen in the last two decades with studies finding that taking hormones can decrease the risk of heart disease and osteoporosis in menopausal women.

Still, whether or not to take hormones after menopause is already one of the most difficult questions in primary care medicine, since the risks and benefits of the therapy are not fully known.

"It is just a very hard call for women," said Meir J. Stampfer, an epidemiologist at the Harvard School of Public Health who is an author of the study.

Published on Thursday in the New England Journal of Medicine, the research compared women who chose to take hormones with those who chose not to take

them. It is not known if these two groups were similar.

There is no way of knowing, for example, whether women with many cases of breast cancer in their families were as likely to take estrogen as women who had no relatives with the disease. Consequently, it is not known whether hormone use — or something else — explains the different rates of cancer.

Nevertheless, the new study adds to the circumstantial evidence that hormone use may carry measurable hazards.

The researchers identified 1,935 cases of breast cancer among the nurses. Women who took estrogen, and had been taking it for at least five years, had a 46 percent greater chance of developing breast cancer than women who had never taken the hormone.

The risk was the same regardless of whether the women took estrogen with a second sex hormone, progesterin, that is frequently prescribed with estrogen.

The risk of breast cancer increases with age, and this trend was slightly accentuated by estrogen use. Women from the ages of 55 to 59 who had taken the hormone for at least five years and were still on it had a

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Serbs and Russians Set Up Shop on Cyprus

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THE AMERICAS

POLITICAL NOTES

Major Defense Increase Approved

WASHINGTON — The House passed the first real military spending increase in a decade Thursday, approving a \$267 billion plan that would add money for troop readiness, B-2 bombers and a host of other defense programs.

The defense budget plan for the fiscal year beginning Oct. 1 was approved by 300 to 126. It is \$4 billion more than the current year's authorization and \$9.5 billion more than President Bill Clinton and the Senate sought to spend. Those differences remain to be resolved.

On social issues, the bill would ban abortions at overseas military hospitals and requires the automatic discharge of service members who test positive for the AIDS virus.

Although previous budgets have risen in dollar amounts, the increases were not large enough to offset rises in inflation.

Critics of the bill say it reverts to a Cold War mentality at a time when threats to the United States have diminished and domestic programs for the needy are being slashed.

It is the first time since 1981 that a defense bill approved on the House floor seeks more money for defense than the president requested, according to the House National Security Committee. (AP)

House Panel Redefines Terrorism

WASHINGTON — In its haste to advance anti-terrorism legislation, a House of Representatives committee has voted to classify as a terrorist act almost any crime in which a gun is used.

Such a classification would mean that any street crime or crime of passion involving a gun, whether or not it was fired, could be investigated and punished by the federal government. The only exemption would be if the gun was used for "mere personal monetary gain," as in a robbery. The bill would also brand carjacking as a terrorist act.

"I wanted to move the bill," said Representative Henry J. Hyde, Republican of Illinois, who is chairman of the panel, the House Judiciary Committee. He said he sponsored the wording in an effort to improve the original language that presented other problems.

Once committee staff members realized that the panel had elevated street crime to the level of terrorism, concern spread throughout the committee room. Mr. Hyde said the committee would come up with new wording before the bill moves ahead. (NYT)

Tobacco Subsidies Light a Fire

WASHINGTON — The Department of Agriculture's decades-old tobacco and peanut subsidy programs have come under sharp attack in a House Appropriations subcommittee meeting, setting the stage for possible termination of federal support for tobacco farmers when the House takes up a spending measure later this month.

"The time has come," said Representative Frank Riggs, Republican of California, a freshman legislator who proposed deleting all funds to administer the tobacco program from the annual 1996 spending bill for the Agriculture Department.

Mr. Riggs withdrew the proposal at the request of the Appropriations Committee chairman, Robert L. Livingston, Republican of Louisiana, who reportedly wants more time to brief congressional tobacco interests.

But the Kentucky-born Californian, who teamed with Representative Richard J. Durbin, Democrat of Illinois, in pushing the initiative, said he would insist on a vote when the agricultural spending measure goes before the full House Appropriations Committee. (WP)

Quote Unquote

Hillary Rodham Clinton, discussing the likelihood of her daughter, Chelsea, getting a car when she turns 16 next February: "I have my 1986 Oldsmobile Cutlass, and I told her one day that when she had a driver's license, she was free to drive it. She just rolled her eyes." (AP)

Key May Link Bombing Suspects to Robbery, FBI Says

By John Kifner
New York Times Service

NEW YORK — Federal investigators now have evidence linking the two principal suspects in the Oklahoma City bombing to the robbery of an Arkansas gun dealer in November and speculate that this may explain how the bombing was financed.

In what could quite literally be the key to the case, a bank safety-deposit key stolen in the robbery of the gun dealer's home was found in April when federal agents searched the house of one of the bombing suspects, Terry Nichols.

And the robbery victim believes that Timothy McVeigh, the other principal bombing suspect, may have been involved in the robbery, in which a masked man knocked him unconscious, bound

and gagged him, and took guns, jewelry, gold and silver valued at almost \$40,000.

The discovery of the stolen safety-deposit key in the Nichols house in Herington, Kansas, and the possible connection between the bombing and the robbery were disclosed in an affidavit filed in U.S. District Court in Detroit on May 3 and unsealed Tuesday.

The financing of the bombing has puzzled investigators from the outset. Although the bomb itself could have been built at little cost — the materials, fertilizer and fuel oil are estimated to have cost about \$3,000 — Mr. McVeigh was often noticed paying cash for his expenses from a large roll of bills.

But neither suspect seemed to have a ready supply of money. Both scraped along on short-term jobs and a marginal business trying to sell

guns and military equipment at traveling gun shows and swap meets.

FBI agents trying to follow the money trail say they now believe the bombing was financed by robberies. In the past, they have speculated about a string of Midwest robberies committed by two or more men who used homemade bombs as a threat.

The affidavit was filed in support of an application to search the home of Terry Nichols's brother, James Nichols, in Decker, Michigan. That search was carried out, but investigators have not disclosed the results. And the detailed list of items seized from Terry Nichols's house has not been revealed.

If investigators can link Mr. McVeigh and Mr. Nichols to the Arkansas robbery, they would be able to tie them together in a criminal enterprise

stretching back at least to last November, a period in which investigators so far have turned up a number of tantalizing leads.

In the affidavit unsealed in Detroit, an FBI agent, Arthur Baker, mentioned the robbery of a number of weapons from a house in Arkansas and, in what could be a major development in the case, added that "also stolen in the Arkansas robbery was a safety-deposit box key, which was recovered during the recent searches at Terry Nichols's residence."

The agent also said that the victim, who it was learned, operated a gun business in Hot Springs, Arkansas, "believes that Tim McVeigh may have been involved in the robbery, in that he had visited the owner on several occasions and was familiar with the gun collection."



ARMED PEACE — A carload of boys rolling past military policemen on guard in a suburban Rio de Janeiro slum. The police guard was assigned after a 5-year-old girl was wounded in a gun battle between police and drug traffickers.

Away From Politics

• A lawyer for the man charged with engineering the World Trade Center bombing said that his client admitted to the authorities in Pakistan that he had been involved in the 1993 bombing, but made his admission only after the officials there had threatened him. (NYT)

• The golfball-size tumor removed from Cardinal Joseph Bernardin's pancreas two days ago was cancerous, and the malignancy had spread to one of his lymph nodes, his doctors said. Cardinal Bernardin, the prelate of Chicago, has only a 20 to 25 percent chance of surviving for five years. (AP)

• The evangelist Billy Graham has left a Toronto hospital, still unsure what caused him to bleed internally last week. Doctors said aspirin consumption might have contributed to Mr. Graham's gastrointestinal bleeding. (AP)

• The parents of a 4-year-old boy who starved to death were found guilty of manslaughter in Miramichi, New Brunswick. (Reuters)

• New York's mayor and police commissioner, in response to a flood of police-corruption scandals, have announced new anti-corruption measures that overhaul the way police officers suspected of misconduct are monitored and investigated. (NYT)

Overwhelming Senate Vote Backs a 'Clean' Cyberspace

New York Times Service

WASHINGTON — The Senate has overwhelmingly voted for a measure that would impose heavy fines and prison terms on people who distribute sexually explicit or otherwise "filthy" material over computer networks, in the most aggressive step yet by Congress to regulate cyberspace.

Voting by 84 to 16, in a session rife with lurid talk about child pornography and on-line descriptions of bestiality, advocates of tough regulation overrode objections from lawmakers who said the measure would violate constitutional rights to free speech and threaten the growth of computer networks.

"Take a look at this disgusting material, pictures which were copied for free off the Internet only this week," said Senator J. James Exon, Democrat of Nebraska, the measure's sponsor.

His measure was added to a telecommunications bill broadly intended to deregulate the telephone, cable television and broadcasting industries.

High Court Limits Double Jeopardy

Offense Cited in Sentencing May Be Used in a New Trial

By Joan Biskupic
Washington Post Service

WASHINGTON — The Supreme Court has ruled that double jeopardy principles do not bar prosecution for a crime even if that same criminal conduct has already been used to increase a defendant's prison sentence for a different offense.

The double jeopardy clause of the Fifth Amendment prohibits more than one prosecution or punishment for the same offense.

By an 8-to-1 vote, the justices rejected the claim of a Texas defendant that he faced multiple punishments for the same conduct because he was charged with cocaine trafficking after evidence of that activity had been used to increase his sentence on a separate drug charge.

In Wednesday's dispute, Steven Kuri Witte was indicted on marijuana charges after he was caught in a sting operation involving large amounts of marijuana from Mexico and cocaine from Guatemala.

Federal sentencing guidelines require that a judge consider other "relevant conduct" for the sentence. Based on the marijuana trafficking, Mr. Witte would have been liable for six to eight years in prison. But a federal trial judge said Mr. Witte's cocaine transactions (for which he had not yet been

charged) should be considered in sentencing, making him liable for a prison sentence exceeding 20 years. Other factors brought Mr. Witte's sentence down to 12 years.

Mr. Witte was then indicted for his cocaine dealings.

He appealed, claiming he had suffered double jeopardy because the cocaine trafficking had been used in both the sentencing on the marijuana offense and then again in the second indictment.

Justice Sandra Day O'Connor wrote for the court that judges are free to consider a defendant's character and other conduct at sentencing. She said that flows from the guidelines' assumption that an offender should get a tougher sentence if his crime was accompanied by other wrongdoing.

Justice John Paul Stevens, the lone dissenter in that part of Witte v. United States, said the majority "weakens the fundamental protections" of the double jeopardy clause.

The Supreme Court also ruled Wednesday that back pay and money damages won for an age discrimination claim are subject to federal income tax.

In a 6-to-3 vote, the justices said that an exemption in tax law for money obtained in a lawsuit "on account of personal injuries or sickness" does not cover age bias settlements or court awards.

Clinton Strategy on Budget: A High-Risk Political Gamble

By David S. Broder
and John F. Harris
Washington Post Service

WASHINGTON — President Bill Clinton's latest budget strategy is a high-risk gamble that the politics of conciliation will pay off better for him in 1996 than continued confrontation with an aggressive Republican Congress.

The decision to move off his standpat budget of last January and join the opposition-party

NEWS ANALYSIS

majority on Capitol Hill in seeking to eliminate the deficit within a decade puts Mr. Clinton at odds with many congressional Democrats and traditional Democratic constituencies.

Some critics said he was repeating the strategic error that President George Bush made when he agreed to a tax increase in his 1990 budget deal with the Democratic Congress — a policy decision that Mr. Bush himself later repudiated and was many blamed for his 1992 defeat.

But, in the eyes of the advisers who urged this latest policy reversal, it also gives Mr. Clinton a chance to take away the Republicans' best issue and perhaps to ingratiate himself with Ross Perot's supporters and other independents who make up the swing vote in today's electorate.

Aides said it was less political calculation than presidential impulse that finally ended an internal debate that had raged for weeks on the best timing for Mr. Clinton's response to the Republican drive for a balanced budget by 2002.

People on both sides of the debate said the president was simply too impatient to follow the advice of those who urged that he continue to criticize the Republicans from the sidelines. White House aides said Mr. Clinton was concerned that he might be seen as the guilty party if budget gridlock leads to the necessity of shutting down the government when current appropriations expire on Oct. 1 — the "train wreck" that the speaker of the House, Newt Gingrich, Republican of Georgia, has warned is imminent.

The White House press secretary, Michael McCurry, said that "by intervening in this process now, as the House and Senate conferees are deliberating," Mr. Clinton offered the Congress an opportunity that could result in compromise, "rather than votes and train wrecks."

But the risks are evident. Republicans immediately jeered that Mr. Clinton's proposal was too little, too late. "The game is going on," said the chairman of the House Budget Committee, John R. Kasich, Republican of Ohio, "and he's still in the bullpen, not even warming up."

Ten years to eliminate the deficit, he said, "is never-never land."

The chairman of the Senate Budget Committee, Pete V. Domenici, said, "I have to be skeptical. It really looks to be politically motivated."

John R. Kasich

menic, Republican of New Mexico, said: "I have to be skeptical. It really looks to be politically motivated."

But liberal Democrats also voiced strong unhappiness. Representative Charles E. Schumer, Democrat of New York, said Mr. Clinton should have presented "broad parameters" but not a "blizzard of detail."

Representative Donald M. Payne, Democrat of New Jersey, the head of the Congressional Black Caucus, said: "Ten years is as unreasonable as seven to make these cuts. It's a quantum leap backward for social policy, and it will have long-lasting, explosive results."

House Democratic leaders, who had urged Mr. Clinton to stay out of the process until much later this summer and who had only a few hours notice that he had rejected their advice, held a caucus on Thursday morning to discuss their strategy.

Senator Joseph I. Lieberman of Connecticut, the head of the centrist Democratic Leadership Council, said: "I think he's being smart, but I'm afraid I'm in the minority up here. It's right for him to be constructive."

That was the argument that prevailed inside the White

House — but only after weeks of internal debate. Many longtime advisers, like James Carville and George Stephanopoulos, a senior White House adviser, had argued that the president would be better served by continuing to attack the Republican plan, rather than presenting a balanced budget strategy of his own, sources said.

More recent arrivals at the White House, including the domestic policy counselor, William J. Evers, made the opposite case. They were reportedly backed by Vice President Al Gore and the chief of staff, Leon E. Panetta.

The political rationale for the switch that Mr. Clinton announced Tuesday night was explained this way by one adviser on the winning side:

"The core issue that the swing voters care about is balancing the budget. Those voters agree with Clinton on many points — the process should be more gradual, with less pain; that we should reform health care, rather than cut medical benefits; that tax cuts should be just for the middle class, not the rich. But if he does not say as a prefix that he is all for getting to a balanced budget, they never bear the suffix."

This adviser said he expected many congressional Democrats to say that "it is stupid to take the Republicans off the hook on Medicare."

But he argued that "if Clinton can solve the budget problem in a bipartisan way, he gets rid of the fundamental issue that holds the Republicans together."

"Without that," he said, "they are left only with the social issues, which are very divisive, and they can't win the election on those."

The political risk in the strategy was highlighted by Robert M. Teeter, a political adviser to Mr. Bush when the former president made the 1990 budget deal that included a tax increase.

"Clinton looks reactive, which is very much the position Bush was in," Mr. Teeter said. "There's no way for him to get on top of the process at this point. The auction has begun, and he's come in with the second-best bid."

Guards at White House Don Gloves for Gays

By Al Kamen
Washington Post Service

WASHINGTON — The director of the Secret Service, Eljay B. Bowron, says he regrets that White House guards put on rubber gloves before admitting 50 gay elected officials to a meeting with senior administration officials to discuss gay issues.

Describing what he called the "unfortunate actions," Mr. Bowron said that "it is not the policy of the Secret Service to wear gloves merely based on known sexual preference, although officers of the uniformed branch of the service 'have discretion to wear protective gloves in the performance of their duties.'"

In a statement issued by the Treasury Department on Wednesday, Mr. Bowron said that the Secret Service took "seriously discrimination of any sort" and that he would "hold a special training session directed specifically at these matters."

Gay officials were outraged by the incident, which they called a bitter reminder of the need for more education on AIDS. Medical authorities say the virus that causes AIDS cannot be transmitted by casual contact.

"It was insulting," said Mike Nelson, an alderman on the Carboro (North Carolina) City Council. He said he saw at least four Secret Service officers put on rubber gloves taken from a nearby closet.

Mr. Nelson said two of the officers with gloves worked at the conveyor belt for items to be checked, and the other two with gloves examined bags and looked into briefcases.

Mr. Nelson said an Oregon state representative, George Eighmey, asked one of the officers why he was putting the gloves on, and the guard reportedly told him: "For protection."

Vice President Al Gore, who spoke Tuesday night at a reception for the gay and lesbian officials, was "appalled" when told of the incident, according to a health and human services spokesman, Victor Zonana. Mr. Gore then shook hands with every elected official in the room. Mr. Zonana said.

Representative Donald M. Payne, Democrat of New Jersey, the head of the Congressional Black Caucus, said: "Ten years is as unreasonable as seven to make these cuts. It's a quantum leap backward for social policy, and it will have long-lasting, explosive results."

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That was the argument that prevailed inside the White

'He Didn't Have a Chance'

Simpson Coroner Says Goldman Couldn't Fight

The Associated Press

LOS ANGELES — Ronald L. Goldman "didn't have a chance" against his killer, and suggestions that he put up a valiant struggle and perhaps wounded his assailant are wrong, the county coroner testified Thursday at O. J. Simpson's murder trial.

"I don't think he fought the attackers in the manner you're portraying," Dr. Lakshmanan Sathiyavagiswaran said in response to a question by Mr. Simpson's lawyer, Robert L. Shapiro. "I think Mr. Goldman was mainly ducking, twisting, turning and backing."

He added: "In my opinion, he was rapidly incapacitated. He didn't have a chance."

Mr. Goldman was found dead along with Mr. Simpson's former wife, Nicole Brown Simpson, outside Mrs. Simpson's condominium in June 1994. Mr. Simpson, the actor and former football star, is accused in their slaying deaths.

While the coroner, who prefers to be called Dr. Lakshmanan, spent his ninth day on the stand, the prosecution filed a list of more prosecution witnesses it wants to testify about incidents of domestic violence.

Mr. Simpson quarreled with his former wife and pushed her against a car a few months before she and Mr. Goldman were killed, a witness says in the court papers.

Elizabeth Holmes, a personal trainer for Mr. Simpson's neighbors, said she saw the confrontation in January 1994 after Mrs. Simpson drove her Ferrari into Mr. Simpson's driveway.

"While Simpson was yelling at her, he shoved her against a vehicle that Holmes believed was Bentley," said an investigator's report. "Holmes said she heard a loud 'thud' after Nicole hit the vehicle."

The papers also include a statement from a

part-time baby sitter hired by Mrs. Simpson who said that Mr. Simpson stalked his former wife and made harassing telephone calls.

In court, Dr. Lakshmanan acknowledged he could not say exactly what happened at the murder scene.

Mr. Shapiro asked if Mr. Goldman at least put his hands up in front of his face. But Dr. Lakshmanan said Mr. Goldman would have had injuries on the backs of his hands, which he did not.

The defense has pointed to a violent struggle to support its contention that the killer or killers should have sustained injuries. Photos show that Mr. Simpson's body was unmarked in the days after the slayings, except for a cut on his left middle finger.

At the start of cross-examination Wednesday, the coroner acknowledged that the exact times of the deaths, the number of weapons and the number of assailants could not be determined within a reasonable degree of medical certainty.

About the only thing certain was that Mr. Goldman and Mrs. Simpson were stabbed and they bled to death.

Mr. Shapiro tried to shift attention away from the slayings, as graphically illustrated to the jury in autopsy photos, and back to official foul-ups and the defense's contention that Mr. Simpson was railroaded by overzealous authorities.

Although Dr. Lakshmanan admitted dozens of mistakes by his office and his deputy, Dr. Irwin Golden, Mr. Shapiro reached for one more, suggesting that the coroner's office was unable even to measure Mr. Goldman's body properly.

The coroner's office listed Mr. Goldman at 5 feet 9 inches (1.7 meters). Over prosecution objections, Mr. Shapiro showed that Mr. Goldman's driver's license said he was 6 feet.

Brother of Slain Mexican Fights U.S. Extradition

By Clifford J. Levy
New York Times Service

NEWARK, New Jersey — A former high-ranking Mexican official, accused of attempting to cover up an investigation into the assassination of his brother, is trying to fight extradition, contending that the Mexican government had fabricated its case against him.

The official, Mario Ruiz Massieu, defended himself publicly for the first time since his arrest three months ago. He spoke Wednesday at the second day of a hearing before a federal magistrate to rule on Mexico's request that he be returned to face charges of obstructing justice during the investigation that he led into the slaying of his brother, José Francisco Ruiz Massieu, a prominent politician, on Sept. 28, 1994.

Mr. Ruiz Massieu, 44, was arrested in

March at Newark International Airport as he boarded a plane for Europe.

The Mexican government says that Mr. Ruiz Massieu, who at the time was a deputy attorney general, sought to conceal that the slaying of his brother was ordered by Raúl Salinas de Gortari, the brother of former President Carlos Salinas de Gortari.

The government has presented evidence that Mr. Ruiz Massieu intimidated witnesses as a part of a cover-up, though it has never explained his motive.

At the hearing on Wednesday, Mr. Ruiz Massieu asserted that the Mexican government's case was faked.

Most of the evidence presented at the hearing by the U.S. attorney's office on behalf of the Mexican government consisted of statements from the men arrested for the murder of his brother.

"They are lies," Mr. Ruiz Massieu testified Wednesday when asked by his lawyer about the statements.

But the Mexican government has said that Mr. Ruiz Massieu, within days of his brother's murder, began to doctor the testimony of the suspects that he arrested in an effort to shield Raúl Salinas.

Mexican prosecutors maintain that Raúl Salinas ordered and financed the plot to assassinate José Francisco Ruiz Massieu, and recruited a Mexican congressman, Manuel Muñoz Rocha, to carry it out.

Mr. Muñoz Rocha in turn enlisted one of his aides, Fernando Rodríguez González, and the plot grew to involve more than a dozen people, the prosecutors said.

An assistant U.S. attorney, Alberto Rivas, maintained at the hearing on

Tuesday that after the slaying, Mr. Ruiz Massieu suppressed the role of Mr. Salinas and sought to implicate a man who had nothing to do with the assassination.

He said that Mr. Ruiz Massieu told one suspect who did not want to sign a forged statement: "If you don't sign, your family is going to get hurt, you are going to get hurt."

Mr. Ruiz Massieu resigned one week before the term of Carlos Salinas ended last Dec. 1, saying that the leaders of the governing party were blocking his investigation.

In the weeks after the new president, Ernesto Zedillo, took office, Mexican government investigators reinterviewed key witnesses in the case who recanted earlier testimony and described how Mr. Ruiz Massieu had orchestrated the cover-up.

ASIA

Thailand Serves Up Crowded Campaign

Issues Are Scarce as 12 Parties Seek the Prime Minister's Job

Agence France-Press
BANGKOK — Personalities have pushed issues into the background in Thailand's general election, as 12 parties compete for the chance to put their candidate into the prime minister's office.
The two biggest parties in the last Parliament, the Democrat Party led by outgoing Prime Minister Chuan Leekpai and the opposition Thai Nation Party led by Banham Silpa-archa, have portrayed their leaders as the obvious choice to head the next government.
But several smaller parties are fighting to put their candidate into the job, which does not automatically go to the chief of the party that wins the most seats.
With so many parties fielding candidates, the election on July 2 will probably result in yet another coalition government.
A new party, Nam Thai, admits that it expects to win at the most 40 of the 360 seats in the House of Representatives, the lower chamber of Parliament. But it is campaigning hard for a top spot in the next government for Anurudh Wirawan, its leader and a former deputy prime minister.
"We are offering a leader who is accepted, who is a professional in every way," Art-Ong Chumsai, an Ayudhya of Nam Thai said Wednesday at a political forum.
Mr. Art-Ong said that he regretted that issues of substance were absent from the campaign, but that he believed the voters were not really interested in party platforms.
Many of the candidates and analysts at the forum agreed that the lack of issues was not bothering voters. Suchit Bunbongkarn, an academic here, said that voters will elect lawmakers to represent constituencies around the country, but that the main event was who would end up as prime minister.
Only the spokesman for the Democrat Party, Abhisit Vejjajiva, disagreed. The election was not solely a popularity contest for prime minister, he said, because the post will depend on which parties make up the new governing coalition.
He said he believed that the voters wanted more debate on the issues. "I hear a silent ma-

jority screaming for political parties to present concrete policies and substance," Mr. Abhisit said.
Kraisak Choonhavan, the son of the leader of the National Development Party, Chai-chai Choonhavan, said issues were irrelevant because Thai political parties have no true ideology.
Responding to widespread allegations that all the parties were zealously buying votes, Mr. Kraisak said that the winner would be the candidate who is perceived as "more acceptable or less tainted than others."
But one issue that does seem to matter to voters is corruption. The candidacy of Mr. Banham, the leader of the Thai Nation Party, has been hurt by accusations that some of his top advisers have engaged in drug trafficking or illicit business dealings.
The allegations have led to speculation that Mr. Banham might decline the prime ministership, even if Thai Nation wins the most seats.



Veiled women carrying water from a well Thursday in a village near New Delhi. The capital is short of running water.

Sunstroke Kills Nearly 300 in Indian Heat Wave

The Associated Press
NEW DELHI — Nearly 300 people have died of sunstroke in the heat wave sweeping northern and central India this month, news reports said Thursday.
With temperatures hovering around 45 degrees centigrade (113 Fahrenheit), 13 people died in Uttar Pradesh and three in Punjab on Wednesday, the Press Trust of India news agency said.
At least 115 people have been killed in Uttar Pradesh State alone, the agency said. In the desert state of Rajasthan, where temperatures rose to a searing 50 degrees centigrade (122 Fahrenheit), more than 65 people have died.
Other deaths occurred in the states of Andhra Pradesh, Bihar and Haryana.
In the cities, the heat strained water and electricity supplies. Many New Delhi neighborhoods get water for just two hours a day, and residents living on higher floors have to haul up water in buckets.
Monsoon rains usually arrive in the northern plains by the third week of June. But forecasters say that the rain-bearing clouds that travel up from the Bay of Bengal and the Indian Ocean were moving slowly and that rains could be delayed.

Vietnam Could Strengthen ASEAN's Hand on China

By Michael Richardson
International Herald Tribune
KUALA LUMPUR — When Vietnam joins the Association of South East Asian Nations next month, it will create the framework for a stronger regional response to any Chinese seizures of islands and reefs in the South China Sea.
In recent interviews, officials and analysts said that with the inclusion of Vietnam, ASEAN would be a better counterweight to Beijing's assertiveness in the disputed Spratly Islands.
"It will strengthen ASEAN's hand in dealing with China," said Jusuf Wanandi, chairman of the Center for Strategic and International Studies, in Jakarta.
Such a coalition will be reinforced if President Bill Clinton follows a recommendation from his secretary of state, Warren M. Christopher, that the Washington establish full diplomatic relations with Hanoi as a balance to any Chinese threat to U.S. interests in the region.
Mr. Clinton indicated Wednesday that he would make an announcement on the matter soon.
In a sign that the last remaining obstacle to normalization is about to be removed, he said that the Vietnamese had been "quite forthcoming" in cooperating with American officials who are trying to resolve the fate of the more than 2,200 American troops still listed as missing in the Vietnam War.
The president also said that he had discussed the question with members of Congress who support the establishment of full ties with Hanoi, including Senators John S. McCain 3d, Republican of Arizona, who spent five years as a prisoner of war in Vietnam, and John F. Kerry, Democrat of Massachusetts, who was decorated for bravery.
Vietnam will join ASEAN in July, when foreign ministers from the group hold their annual meeting in Brunei and later meet their counterparts from Australia, Japan, New Zealand and the United States.
Vietnam will be the first Communist member of ASEAN, which now consists of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.
Much of the tension in the area stems from the dispute over the Spratlys, an uninhabited island chain that lies close to important commercial and naval searoutes and holds the key to control of any resources in the area, including oil and gas.
China, Taiwan and Vietnam claim all of the islands, while Brunei, Malaysia and the Philippines claim those parts of the Spratlys closest to their shores. The Philippine Navy said Thursday that it had blown up a Chinese marker in the islands in a signal to Beijing that it would not allow intrusions into areas in the South China Sea claimed by Manila.
It was the latest of several Chinese markers in the disputed area blasted by the Philippine Navy and the nearest to Pagasa, the highest of eight islands claimed by Manila in the Spratlys.
But what further alarms the United States and ASEAN is that in addition to claiming control of the Spratlys and occupying the Paracel Islands farther to the north, China insists that virtually the whole of the South China Sea is part of its territorial waters. This claim prompts the United States to warn recently that international freedom of navigation was at stake.
Writing last month in the International Herald Tribune, Mr. McCain said it was in the U.S. interest to have a Vietnam "strong enough to resist, in concert with its neighbors, the heavy-handed tactics of its great power neighbor," China.
But some ASEAN officials are worried that Vietnam's entry into the group may alienate China just when efforts should be stepped up to draw it into negotiations over regional security.
Similarly taking pains not to offend China, Nguyen Dinh Bin, a deputy Vietnamese foreign minister, said that Vietnam was joining ASEAN to help create a favorable environment for its program of economic reform and modernization, and "to contribute to peace, cooperation and stability in the region."
Nonetheless, there is "deep concern in Beijing that Vietnam is going to play the ASEAN card against China," said Ralph Correa, executive director of Pacific Forum/CSIS, a research organization in Honolulu.

BRIEFLY ASIA

Six Arrested in Macao Ferry Piracy

HONGKONG — The Hong Kong police said Thursday that they had arrested four men and two women in connection with the \$1.3 million robbery from a hijacked jetfoil ferry earlier this week.
The jetfoil, en route from the Portuguese-run enclave of Macao to Hong Kong, was hijacked on Tuesday by three armed men, who forced the vessel to sail into Chinese waters.
They were met by two accomplices in a speedboat and fled with a cash shipment of some 10 million Hong Kong dollars that was being transported by a security company for a Chinese bank.
A police spokesman said inquiries were continuing in conjunction with the Chinese and Macao authorities, but declined to give further details. (Reuters)

Guru Reportedly Offers a Confession

TOKYO — After a month of relentless police interrogation, the cult leader Shoko Asahara has reportedly cracked — confessing not to the deadly Tokyo subway attack but to standing by as a sect disciple was strangled in 1994.
The confession, reported by the Japanese press Thursday, would mark a major break for investigators, who had previously got little more than small talk and silent meditation out of the guru.
The police believe that Mr. Asahara, charged with murder for the March 20 subway attack, ordered the killing of a cult follower, Kotaro Ochiai, in February 1994 at the sect's Mount Fuji commune.
According to Thursday's reports, all quoting anonymous police sources, Mr. Asahara has confessed to witnessing the murder, but he denies that he ordered it. There was no indication he claimed to have tried to stop it. Cult followers have described unquestioning obedience to his every directive.
Mr. Asahara, who has been in custody since May 16 in connection with the subway attack, was formally rearrested Wednesday on suspicion of ordering the 1994 murder. Japan's state-run television network, NHK, said at least five other top sect leaders also watched as Mr. Ochiai, a pharmacist at a cult-run hospital, was strangled. (AP)

North Korea to Get More Heavy Oil

WASHINGTON — A U.S. team left Washington on Thursday to arrange another shipment of heavy oil to North Korea under a landmark nuclear accord, but funds so far are lacking to complete the deal, a senior American official said.
Pyongyang has been promised that it will receive by Oct. 21 an additional 100,000 tons of heavy oil costing upwards of \$10 million and "if the question is, is there \$9 million to \$10 million" available to cover the costs, "there is not," Robert Gallucci, the chief U.S. negotiator with North Korea, told reporters.
The Korean Energy Development Organization, formed by the United States, South Korea and Japan, is responsible for raising funds to underwrite all aspects of the nuclear deal, which includes giving North Korea light-water nuclear reactors and alternative energy supplies totaling about \$4.5 billion in return for Pyongyang's freezing its alleged atomic arms program. (Reuters)

VOICES From Asia

Ali Alatas, the Indonesian foreign minister, after a three-day visit to East Timor, which Indonesia annexed in 1975: "I am impressed by the various expressions by the East Timorese people who want the settlement of the problem regarding their territory to be accelerated in the United Nations." (Reuters)
Ong Chin Hean, the social editor of Hong Kong Tatler, on the decision by Lydia Dunn, Swire Pacific director and Hong Kong politician, to leave Hong Kong: "Baroness Dunn is almost an icon, a queen. She speaks for the Hong Kong people, and this is a no-confidence vote." (Bloomberg)
Rosemary Jahan, a political scientist and founder of Women for Women, a Bangladesh organization, after news that China had agreed to allow 20,000 more foreigners to take part in an international forum on women planned this summer in Beijing: "Since the main conference will go on, it would be a mistake for women from grass-roots groups to boycott the forum." (NTT)

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PERSONALS

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Hans Margarete Steiner-Rim.

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Jakarta to Try Journalists On 'Showing Hatred' Charge

Reuters
JAKARTA — Indonesia will begin trials on Friday of two reporters and their assistant on charges of "publicly showing hatred against the government," a journalists association said Thursday.
An official with the Alliance of Independent Journalists said the defendants were Achmad Taufik and Eko Maryadi, the reporters, and Danang Kukuh Wardoyo.
The official said the two reporters were also accused of distributing a magazine, Independent, without a permit. The magazine, which criticized the government, had a circulation of about 12,000 before it was banned by the government in March.
The United States immediately complained to the government about the detentions and the ban, saying it hoped those arrested would be released.
The charge of "showing hatred against the government" carries a jail term of seven years, while distributing uncensored reading material carries a four-year sentence.
Rita Serena Kalibonso, a lawyer at the Jakarta Legal Aid Institute, which is representing the three men, said her clients would be tried separately.

Gunmen Firing at Random Kill 10 In a Government Office in Karachi

Compiled by Our Staff From Dispatches
KARACHI, Pakistan — Masked gunmen killed 10 people on Thursday and sent dozens scrambling for cover as they strode through a government office firing automatic rifles and handguns, the police and witnesses said.
No group immediately took responsibility for the attack.
The killings raised Karachi's death toll in ethnic and political unrest to 26 since Wednesday morning, 116 this month and more than 700 this year.
Much of the violence has been laid to the Mohajir Qasmi Movement, an opposition group representing Muslims who migrated from India. (Reuters, AP)

The Maids' Plaint

Expatriates in Kuwait Ask Filipino Panel for Protection

Reuters
KUWAIT — Philippine maids telling of abuse by employers burst into tears at an emotional meeting in Kuwait this week with a panel studying their working conditions.
"If you try to escape again, I will kill you," and then make up a story that it was done by some boyfriend you had," one maid said her employer told her when she tried to flee his house and a life that she said consisted of beatings and confinement.
She spoke at a meeting with a panel of Philippine officials on a world tour to investigate the plight of maids overseas.
Speakers from the 50,000-member expatriate Filipino community here demanded greater legal protection for maids and extra manpower at the Philippine Embassy for the handling of abuses.
The panel, led by former Justice Emilio Gancayco of the Supreme Court, is on a 17-nation tour and has also visited the United Arab Emirates and Saudi Arabia.
On Sunday, they began a three-day visit to Kuwait, one of several wealthy Gulf states where employers are often accused of mistreating servants. Employers here deny the accusations.
The tour comes in the aftermath of the execution in Singapore of a Philippine maid convicted of a double murder. The hanging in March increased concerns in the Philippines about the 4 million Filipinos who work overseas.
The panel also met with about 100 maids who have fled their employers.
A former maid who wanted to be identified only as Tikya said she had worked 18 hours a day for 45 days (\$150) a month, with two half days off a month. Despite her hard work, she said, she ran into trouble with the American wife of her Kuwaiti employer, who dismissed her two years ago for coming in half an hour late from a half day off.
Since then, Tikya has lived with friends and done part-time work. Her residence permit has run out but she cannot renew it, she said, because her former employers have refused to return her passport.
Mr. Gancayco told the Filipinos here that he is considering recommendations to strengthen protection for maids like Tikya, including signing accords with host countries that would give maids the same rights as other workers.
Filipinos here painted a portrait of conditions that were largely similar to those in other Gulf countries, he said.
But he added that he was impressed by the sympathy shown by Kuwaiti police to maids in difficulties and that the procedures developed for handling their cases here was "fantastic."
He said he was also grateful for a program in which Kuwaiti authorities pay for the repatriation of runaway maids to Manila.
"But, he continued, he was saddened by what he had heard of the way people in the Gulf generally treated their maids.
In Saudi Arabia, where hundreds of thousands of Filipinos work, Mr. Gancayco said, "a Filipino can be picked up, arrested, imprisoned and executed without the embassy knowing."
In Kuwait, "they do not get executed, but they can be evicted, deported without the knowledge of the embassy," he said.

EUROPE

BRIEFLY EUROPE

EU and Slovenia Initial Accord

BRUSSELS — The European Union initiated a trade and political cooperation agreement with Slovenia on Thursday that could open the way for it to become the first former Yugoslav republic to join the Union.

Slovenia's formal signing of the accord risks being delayed, however, by a dispute with Italy over property rights of ethnic Italians who fled Yugoslavia after World War II.

Rome says that before the accord is signed, Slovenia must change its constitution so that Italians who left after Italy's defeat in the war can buy back their property. The Slovene government has agreed to make the changes, but they have yet to be approved by the Parliament. (AP)

Peace Plan Foe Leads in Ulster Test

BANGOR, Northern Ireland — Polls opened Thursday in a special parliamentary election that is being seen as the first electoral test of British-Irish peace plans for Northern Ireland.

Eight candidates are competing for the 71,000 votes in the North Down district, a region of prosperous, predominantly Protestant towns east of Belfast. All the signs are that the largely middle-class voters will register disapproval of the peace framework announced in February by electing a man who opposes political compromise. Results were expected Friday morning.

Robert McCartney, 58, a lawyer and the front-runner, says the peace framework's provision for closer links with the mainly Roman Catholic Irish Republic erodes the province's historic ties with Britain — and paves the way for a united Ireland. "It is a total sacrifice of the unionist people," he said. (AP)

U.S. Threatens Europe Troop Cuts

WASHINGTON — The House of Representatives has voted to decrease the number of U.S. troops in Europe from more than 100,000 to as few as 25,000 unless European allies pay a bigger share of the American forces' cost.

The House approved a formula for reducing the U.S. troops in relation to allies' payments by a vote of 273 to 156. It approved a similar measure two years ago but the Senate killed it.

Defense Secretary William J. Perry said the cut would "compromise the president's ability to protect U.S. interests not only in Europe but throughout the world." Opponents said Europeans should pay a bigger share of the U.S. troop costs, as Japan and Korea do. (Reuters)

100 Injured in German Rail Crash

HANOVER, Germany — At least 100 passengers, mostly schoolchildren, were injured Thursday when two local trains collided head-on in Schneverdingen, 50 kilometers south of Hamburg, a German railway spokesman said.

The spokesman said the trains, which run on a single-track line, crashed just outside the town's railway station as one pulled out without waiting for the other to arrive. (Reuters)

Calendar

European Union events scheduled for Friday:

BRUSSELS: Representatives of Europe's transport unions meet with Neil Kinnock, transport commissioner, and Pádraig Flynn, social affairs commissioner.

MADRID: Hans van den Broek, commissioner for external affairs and security, meets members of the Spanish government.

AMSTERDAM: Pádraig Flynn, social affairs commissioner, attends an international journalists conference on racism.

BRUSSELS: Martin Bangemann, commissioner for industry, speaks to members of CECRA, the European committee for motor trades and repairs.

BUDAPEST: Franz Fischler, commissioner for agriculture, meets members of the Hungarian government. Sources: Agence Europe, AFP.

Kohl Calls on Shell Not to Dump Oil Rig Into the Atlantic

Compiled by Our Staff From Dispatches

BERLIN — Chancellor Helmut Kohl, joining the growing number of Germans who oppose dumping an oil platform in the Atlantic, said Thursday that he would bring up the issue with Britain during the Group of Seven meeting in Canada.

A grass-roots boycott of Shell gasoline stations started in Germany this week and spread to the Netherlands. The environmental group Greenpeace also began protests Thursday in Britain and Switzerland.

But a spokesman for Britain's Trade and Industry Department said, "The plan follows all the international obligations and treaties and is in fact the best environmental option."

Vivid news coverage of the Brent Spar oil platform being towed toward burial at sea hit a nerve, especially among German environmentalists.

These spectacular new forms of pollution are a setback for all the efforts to protect our seas," Foreign Minister Klaus Kinkel told the mass-circulation daily Bild.

"Germany spends a lot of money to do its bit to protect the North Sea," he said. "Other shoreline states must also do their duty. The sea must not be abused as a waste dump."

Mr. Kohl told ARD national television on arrival in Halifax, Nova Scotia, for a G7 meeting that he would bring up the issue with Prime Minister John Major, whose government approved British Shell's plan to sink the North Sea oil platform despite German objections.

"My urgent advice is not to do it," Mr. Kohl said.

Anger is spreading around Europe, he warned. "If I gave advice to a company that wants to do good business in Germany," he said, the sinking "will certainly very negatively affect business."

The British branch of Greenpeace asked motorists to stop patronizing Shell.

"Motorists should choose other petrol stations while Shell pursues its dumping policy,"

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Quake Hits Southern Greece, Killing 17

EGION, Greece — At least 17 people were killed near here Thursday when an earthquake destroyed two seaside buildings and trapped victims under rubble and shattered slabs of concrete.

Four people were killed at the Eliki hotel near Egion, the Public Order Ministry said in a statement. They were a French family of three and another French tourist.

Three other people who have not been identified were earlier confirmed killed in the hotel.

The collapse of another residential apartment building in the town of Egion killed 10 people, including a 20-year-old Italian woman and three children. Up to 10 people are still missing under its slabs of fallen concrete.

The quake, measured at 6.1 on the Rich-

ter scale, hit this town 145 kilometers (90 miles) west of Athens early on Thursday. The ministry said 59 people were injured and taken to a hospital.

Rescue teams are trying to pierce through slabs of concrete to reach those trapped. Cries for help heard from the buildings earlier this morning had faded away, the police said.

"Everything collapsed in five seconds," said Brian Clavard, a Frenchman who works at the Eliki hotel. "We're all shocked. I don't see how the people trapped inside will survive."

French tourists huddled silently outside, many draped in blankets and wearing pajamas as they watched rescue workers. French and Swiss rescue teams were on their way to the scene to help Greek teams, a government spokesman said.

At the residential building, bulldozers and cranes shifted the large slabs of concrete, but workers said the work was going very slowly and they feared that few of those trapped would survive.

The quake caused heavy damage from the western port of Patras to the tourist village of ancient Delphi, across the Gulf of Corinth, and the nearby town of Galaxidi.

The tremor shattered windows and caused damage to hundreds of homes and buildings. It was felt as far away as Athens.

Greece has been shaken by a series of recent earthquakes. More than 8,000 people are living in tents in the central Kozani region after an earthquake measuring 6.6 on the Richter scale last month. No one was killed.

Gunmen Hold 1,000 Hostage in Russia

By Fred Hiatt
Washington Post Service

MOSCOW — Gunmen held as many as 1,000 people hostage in a hospital in southern Russia on Thursday as government forces surrounded the building and increased security in other parts of Russia.

The gunmen, believed to be militants from the breakaway region of Chechnya, threatened to shoot or blow up their hostages if fired upon, officials reported. They demanded that Russian troops withdraw from Chechnya, where President Boris N. Yeltsin sent soldiers six months ago to quash an independence movement.

Dozens of policemen, civilians and Chechen fighters were reported killed in more than 24 hours of fighting in Budennovsk, a city of 100,000 people in the Stavropol region about 80 kilometers (50 miles) north of Chechnya.

Mr. Yeltsin, scheduled to leave Thursday for a meeting of world leaders in Halifax, Nova Scotia, issued a statement urging Russians to keep calm and to support his troops' efforts to restore "constitutional order."

He also indicated grave displeasure with law-enforcement agencies, asking how such a military operation could have been permitted after Chechen fighters warned that they would take their fight outside the borders of Chechnya.

More than 16,000 Interior Ministry troops were sent into Moscow, on the alert for terror-



Officers checking the documents of a driver in Moscow on Thursday as security was stepped up in the Russian capital.

ist operations. The troops stopped vehicles and checked documents, especially in train stations and airports, but for the most part the atmosphere here was calm.

Prime Minister Viktor S. Chernomyrdin interrupted his vacation on the Black Sea and returned to Moscow to take

charge while Mr. Yeltsin is away. The heads of Russia's Interior Ministry and the successor to the KGB, meanwhile, flew to Budennovsk to command an operation to "cleanse the city of terrorists," officials here said.

A spokesman for the FSB, as the KGB is now known, said

that negotiations with the hostage-takers might last several days.

In many respects, the attack can be seen as a natural outgrowth of Mr. Yeltsin's war in Chechnya. That operation, which began Dec. 11, has succeeded in recent days in capturing most of the remaining outposts of the rebels led by Dzhokar Dudayev.

Mr. Dudayev, a former Soviet Air Force general who proclaimed Chechnya independent in 1991, had threatened earlier to carry the war into other parts of Russia if Mr. Yeltsin did not cease his attacks on Chechnya, which have killed thousands of civilians as well as Chechen fighters.

But more recently, General Dudayev had disavowed such plans, and Thursday he was reported as denying any connection to the attack in Budennovsk.

"None of the armed formations loyal to me have received orders to launch acts of terror on Russian territory," Iyar-Tass quoted him as saying, without disclosing his whereabouts.

But Russian officials said that the armed militants in Budennovsk, reportedly numbering as many as 200, were under the command of Shamil Basaev, formerly the third-ranking leader in General Dudayev's government. The officials asserted that Mr. Dudayev must be behind the attack, although others said it might indicate his loss of control over some of his fighters.

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

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This Summit Could Help

Every year, the leaders of the seven major industrial countries gather for a summit meeting, whether needed or not, and issue a communiqué long on vague promises and short on concrete commitments. This year's meeting, which began on Thursday in Halifax, Nova Scotia, may prove a modest exception. A draft of the final statement includes some proposals that deserve support.

The first would enhance the role of the International Monetary Fund in monitoring and responding to economic problems that develop in member countries. The need for more engagement was shown when the fund, along with the United States, bailed out Mexico and prevented financial turbulence from spreading through Latin America.

The seven leaders are likely to urge the fund to develop standards for monitoring financial data from member nations that would provide early warning signs of trouble. Monitoring itself is a useful, though limited, step. It would be even better for nations to publish the data, which the leaders will urge, and for the fund to make public its analysis. That way private investors could, by withdrawing funds, discipline countries that pursue imprudent policies. So far the fund's members have rejected public scrutiny. The leaders will also propose giving the monetary fund more money to aid countries under financial siege, a need highlighted by the drain on the fund's reserves from the Mexican bailout.

Beyond these measures, the draft obliquely calls for studying a reform proposed by Jeffrey Sachs of Harvard. He

wants the fund to act more like a bankruptcy judge and less like a lender using taxpayers' money. The idea is to give it the authority to hold foreign creditors at bay, while issuing guarantees that make it possible for private lenders to provide money to a bankrupt government while it puts economic reforms in place. The idea is attractive, but needs study before it can be translated into a workable plan.

Another useful step the leaders might take is to provide Ukraine additional money to support the impressive market reforms it initiated last year. The leaders pledged \$4 billion to Ukraine last year if it adopted fund-approved reforms, Ukraine obliged by freeing prices, bringing down its deficit and lowering inflation. But its government needs more help to boost the economy.

The final communiqué, as always, will call on governments to coordinate economic policies. The promise will be abandoned the minute domestic policies dictate otherwise. The leaders will probably duck a proposal to use gold held by the fund to relieve the debt of desperately poor countries. There will also likely be inconclusive talk about Bosnia, and meetings with President Boris Yeltsin of Russia, who wants to join the industrial nations' club. To avoid unpleasantness, President Bill Clinton and Prime Minister Tomislav Murayama were to touch only glancingly on Washington's plan to impose trade sanctions on Japan at the end of the month.

Still, these meetings rarely do much harm, and this year the leaders seem headed toward doing some good.

—THE NEW YORK TIMES.



Austria: Its Role in Europe, and in the Balkan War

By Flora Lewis

KREMS, Austria — Austria, one of the three new members of the European Union, is eager to exert as much influence as it can. It matters because the small, neutral country had a critical if little-known role in what became the tragedy of Yugoslavia.

The public voted overwhelmingly just a year ago to join the EU. The end of the Cold War and the Soviet collapse removed Moscow's long-standing block on Austria's foreign policy decisions, as it did for Finland. But already opinion has soured. According to polls, only 40 percent say they would favor accession if the vote were held now.

This is written off as post-honeymoon blues by informed Austrian commentators, who say that expectations were overblown; they are convinced that the country will settle down comfortably in its new status.

The government has firm ideas on the kind of Europe it wants. These were presented at a weekend meeting here.

Austria favors more integration, a strong commission and a strong European Parliament, a hard common currency, and qualified majority voting, but in a way that preserves the disproportionate weight of the small countries. At the same time, it wants assured and rapid inclusion of former Communist countries to the east. Like Germany, it doesn't want to remain on the EU's eastern border, but to be in the middle again; in short, both deepening and broadening, to use EU jargon.

So it is logical — but there's the rub — that it plans to push for faster progress to the established goal of a common European foreign and security policy. But Austria has

already contributed much more than acknowledged to Europe's most signal foreign policy disarray and failure, largely because of intricate domestic coalition politics.

As far back as 1986, Austrian officials and nongovernmental organizations were taking part in the moves that led to the breakup of Yugoslavia, and then to warring war.

Some focused on Slovenia, an Alpine region, which they considered more suited to the European community than to a Slav federation. Others, and most particularly Alois Mock, focused on Roman Catholic Croatia. Mr. Mock has just stepped down from his long-term position as leader of the conservative People's Party and foreign minister, which he used to encourage the Croatian leader Franjo Tudjman to expect Europe's embrace once independence was declared.

He was at the Krems conference, and I asked him about his reasoning and his role. His answers were evasive. But other officials consider he had a major influence on Mr. Tudjman's decision. In May 1991, in Zagreb, I was told that Croatia was not worried by Europe's disapproving noises at the prospects of Yugoslav disintegration.

"It's only diplomatic lip service," Mr. Tudjman said. "We've been assured they'll come around once it's done."

Chancellor Franz Vranitsky of Austria was aware of Mr. Mock's behind-the-scenes campaign in Croatia, and told me he opposed it. But he didn't do it publicly or effectively, because

Austria has the strongest extreme-right anti-foreigner party in Europe. The chancellor feared that offending Mr. Mock might lead him to break the socialist-conservative coalition in favor of a conservative-far right one, excluding Mr. Vranitsky's party.

The really decisive point at which the Yugoslav war could have been avoided was then, before Slovenia and Croatia proclaimed independence. Indeed, the war started immediately after. When Germany insisted on recognizing Croatia in December 1991, it argued that that would stop fighting in Croatia, which it did, temporarily. Predictably, the fighting broke out in Bosnia the following spring.

Austria has a more immediate interest in the area, which was part of the Austro-Hungarian Empire, than does Germany, now erroneously suspected of pushing for dominance there. Senior Austrian diplomats admit, but in private, that what outside responsibility there is for the war belongs to their country.

The point is not to affix blame but to clarify history before it congeals as conventional truth that will affect future EU efforts at common foreign policy. There will be new disputes to confront, perhaps all the more because of the dreadful Yugoslav example.

Straightening the record of what happened might help prevent similar terrible miscalculations. Austria, with its broad history in Central Europe and the Balkans, can make important contributions to a structure of continental peace. But all the countries involved need to transcend nostalgia and shortsighted manipulation of foreign policy for domestic politics.

© Flora Lewis.

A President Enrages His Party

By Robert Kutner

WASHINGTON — President Bill Clinton's embrace of a balanced budget may save his re-election — at the expense of his party. The noteworthy response was not Republican ridicule, but Democratic rage.

David Obey, ranking Democrat on the House Appropriations Committee, said: "Most of us learned some time ago that if you don't like the president's position on a particular issue, you simply need to wait a few weeks."

Mr. Obey did not blunt these words out. He composed them and released them to the press. You have to go back to Lyndon Johnson and the Vietnam escalation to find more embittered relations between a Democratic president and his congressional allies.

In his speech, Mr. Clinton took pains not to seem partisan. He referred to his differences with "congressional leaders," rather than Republican ones, as if his quarrel were with a rival branch of government, not a rival party.

Watching the president's televised remarks followed by Senator Bob Dole's official Republican reply, my teenage daughter inquired, innocently, who would give the Democratic reply?

The president's strategy is dubious. As fiscal policy, absolute budget balance is not necessary to put deficit and debt on a downward course. Four months ago, Mr. Clinton sent Congress a budget with substantial cuts, but with moderate, sustainable deficits. It is significant that Mr. Clinton felt he had to reverse course and embrace budget balance to be "relevant."

There is not enough difference between Mr. Clinton's 10-year plan and Republican 7-year plan either to spare the United States draconian cuts in public programs or to demonstrate that Democrats stand for something clearly different from Republicans. The strategy Mr. Clinton rejected was to educate public opinion and fight for his party's view of affirmative government. Polls show that absolute budget balance is popular in the abstract, but that the voters value specific programs more than fiscal rectitude.

This was the operating premise of most Democrats in Congress, who wanted to let the effect of the proposed Republican cuts sink in, and make Republicans squirm. Mr. Clinton has undercut that strategy. He has again let the Republicans set the agenda and responded with a diluted version of their policies. Democratic leaders in Congress were appalled not just that the Clinton budget short-circuited their own game but that they were excluded from the strategizing.

The budget debate will now be seen as a skirmish over details, rather than a historic contest of contending philosophies. That debate has already been settled. The Republicans won.

Given the fractious Republican field, Mr. Clinton just might squeak through to re-election. He seems to do better as candidate than as chief executive. But even if Mr. Clinton wins, he will have won by demoralizing and virtually jettisoning his party.

In 1996, Republican House and Senate candidates will enjoy a huge financial advantage, thanks to the money they can raise as the congressionally incumbent, pro-business party. And with growing ranks of dismayed Democratic congressmen retiring, it seems likely that the Republicans will pick up seats in both houses next year, even if Mr. Clinton wins. That would mean four more years of a nominally Democratic president carrying out an essentially Republican agenda.

Or Mr. Clinton could lose his gamble. For now there is no move to challenge him from within his party. There is only dismay and a sense of betrayal. I have heard the most unlikely of liberal Democrats hoping that Colin Powell enters the race, and even imagining voting for Bob Dole.

Washington Post Writers Group.

Clinton's Budget Strategy

President Bill Clinton's decision to propose a 10-year plan to balance the U.S. budget surprised and angered Democratic leaders in the House and Senate. They read it, correctly, as a clear signal that the White House will look after its own political needs. That calls for an urgent strategy to make Mr. Clinton look like a leader rather than a spent force drifting toward the end of a one-term presidency.

There is a certain justice to Mr. Clinton's indifference to congressional Democrats' wishes. In 1993 and 1994, they failed to deliver the votes that would have gotten him off to a successful start. So this is a survival move that has a strong political logic from Mr. Clinton's point of view. He can legitimately argue that he is returning to the New Democrat blend of fiscal responsibility and social concern that he espoused in 1992. If he sticks to these principles this time, the Republicans will find it hard to argue with the main Mr. Clinton theme. Why not balance the budget humanely in 10 years, rather than painfully and unfairly in seven years? Even the congressional Democrats may come to see that Mr. Clinton has made the classic move in the presidential playbook of trying to claim the broad center.

The repositioning has its risks. Newt Gingrich, Bob Dole and Phil Gramm will urge voters out to take this latecoming, watered-down, imitation Republican

when they can have the real thing. Also, Democrats can no longer pose as unbending defenders of Medicare and Medicaid, now that the president has proposed large, though seemingly feasible, cuts in both programs. What was before presented as a fight over principle is now a squabble over dollars.

There are some plausible responses. Mr. Clinton can tell voters he has embraced their anti-government leanings without adopting the Republican no-government obsessions. His veto pen will protect Americans from Gingrichian excesses.

On the merits, the new budget plan is better than Mr. Clinton's February plan, and substantially better than anything the Republicans have offered. The February plan left Medicare and Medicaid largely untouched, even though these two programs will almost single-handedly drive the federal budget out of whack. The new plan would also make small cuts in corporate welfare and preserve investments in training, education and research.

By these lines of analysis, the president has put forth a sensible plan for fiscal discipline. It has the potential of stripping the Republican Party of its claims as the only party preaching budgetary prudence. But that will require Mr. Clinton to think as much of his plan next month as he did on Tuesday night.

—THE NEW YORK TIMES.

A Labor Leader's Exit

Since the American Federation of Labor merged with the Congress of Industrial Organizations in 1955, there have been more presidents and popes than leaders of the AFL-CIO. That may give a sense of the import of Lane Kirkland's decision to step down as president of the AFL-CIO. Mr. Kirkland, who had said he wanted another term, withdrew under pressure from insurgents who held that a beleaguered movement needed new leadership. Now, an organization accustomed to carefully orchestrated successions faces a potentially bitter internal struggle.

The difficulties at the end of Mr. Kirkland's tenure should not obscure his achievements. He threw himself into the struggle of the workers of Eastern Europe to overthrow communism and became a hero in Poland for the generous support American labor lent to Solidarity. It was an irony Mr. Kirkland cherished: Communism claimed to speak in the workers' name, but it was beaten in part by the agitation of trade unionists who understood the value of political liberty to the workers of all countries. He rejected the pretense of Soviet leaders that they were building a workers' paradise, but he did so without pretending that the capitalist democracies had reached perfection.

Yet Mr. Kirkland's involvement in world affairs helped erode support for his leadership as most union members turned their attention homeward. He presided over a movement that was in steep decline

for reasons — historic, social and financial — largely outside his control. In 1954, unions represented more than a third of American workers outside the agricultural sector. Now only about 15 percent of the labor force is unionized and unions hold up their share only by extensive organizing efforts among government workers. In the private sector, once labor's stronghold, only one worker in 10 belongs to a union. The drop in manufacturing employment and the rise of a service and high-technology economy have contributed to the decline of organized labor. The agitation against Mr. Kirkland grew from frustration over labor's seeming inability to crack the new economy.

The dissident unions had once approached Thomas R. Donahue, the federation's secretary-treasurer, to take over from Mr. Kirkland. Mr. Donahue declined to displace his longtime friend but is now seeking the federation's presidency outright with Mr. Kirkland's support. The insurgents are supporting John J. Swasey, president of the Service Employees International Union.

The succession battle promises to be bitter, but a serious internal debate could do labor good. The new economy is clearly less hospitable to unions than was an age dominated by manufacturing. Labor's future depends on adapting its old principles of solidarity to an era marked by a powerful individualism.

—THE WASHINGTON POST.

We Can Push Back the World's Spreading Deserts

By Harna Arba Diallo

GENEVA — For most people the Sahel region of Africa conjures up images of starving babies and endless war and suffering. The distress is real; and it is magnified there, as on some other continents, by the encroachment of spreading deserts on once productive lands. This costs the world some \$40 billion a year in lost agricultural production, one-fourth of that in Africa alone.

Desertification exacts its highest toll on those least able to withstand it — affecting some 1 billion people, most of them poor, ignored and disenfranchised.

But there is a hopeful side to this story. Traditional cultures have thrived for centuries by mastering the art of farming and herding animals while keeping the soil fertile for future generations. Modern pressures, however, have

upset the ecological balance. The good news is that we still have time, if we act forcefully, to return the drylands to health.

Last June 17, more than 100 governments met in Paris to sign the UN Convention to Combat Desertification. It aims to reverse the spread of drylands by improving the management of ecosystems and revising international development aid flows.

Left alone, drylands respond quickly when the climate fluctuates. The vegetation boundary south of the Sahara can move by 200 kilometers (120 miles) when a wet year is followed by a dry one, or vice versa. But people must also adjust. If they don't, soil quality, vegetation and freshwater supplies are damaged and crops fail.

People have learned to protect the land by nomadic herding and farming. These strategies have become more difficult due to changing economic and political circumstances, growing populations, and a more sedentary life.

When land managers cannot or do not respond flexibly to climate variations — when they permit overcultivation, overgrazing, deforestation and poor irrigation practices — the land is degraded. Croplands, pastures and woodlands lose their productivity. As a result, 70 percent of the world's drylands (excluding hyper-arid deserts), have become degraded.

The second problem involves official development aid. Many past aid efforts suffered because they were "supply driven" by the financing agency, handled top-down by outside planners, or poorly coordinated.

But outsiders lack knowledge of local needs and priorities. And when responsibility for natural resource management is taken away from locals, they use natural resources less efficiently.

The convention reverses this approach. Projects are now to be originated locally and involve genuine local participation.

The convention stresses that funds must be raised and allocated using a "bottom-up" approach. Local communities and populations are to be consulted, as are donor countries, and intergovernmental and nongovernmental organizations. And affected countries agree to establish policies and procedures to channel resources more effectively to local groups.

This convention promises a new beginning. Can we make it work? One billion people deserve nothing less.

Too Many Missiles, Too Little Control

By Lawrence Scheinman

NAGASAKI — For decades, the international community has worked to contain the spread of weapons of mass destruction. While the means of delivery of such weapons was never ignored, it did not have the same priority as their acquisition. Since the mid-1980s, however, as capabilities to produce weapons of mass destruction have expanded, as the relative influence of the superpowers has diminished, and as high technology has become more easily available, attention has turned to delivery systems.

Missiles, particularly following their use in the Iran-Iraq War, have become a major international concern. Since 1987, they have been subject to a multilateral export control arrangement, the Missile Technology Control Regime.

From a military perspective, ballistic missiles are seen to have certain advantages over manned aircraft. They strike with little notice. Time from launch to target is measured in minutes, not hours. And they are very difficult to defend against. Missiles provide the surest means of delivery and increase the credibility of a threat posed by a state with nuclear or other weapons of mass destruction. Missiles are viewed as enhancing a nation's offensive capability as well as its deterrent or defensive posture. In short, they are seen as a potent equalizer.

The writer is assistant director for nonproliferation and regional arms control, U.S. Arms Control and Disarmament Agency.

However, there are strong reasons for not acquiring missiles and for seeking to ensure that they are excluded from one's region. Their presence is much more likely to contribute to instability and insecurity than to assurance and confidence. Because missiles strike with little notice and are so difficult to defend against, they are potentially very destabilizing. After launch, it is impossible to recall or terminate flight, a fact which could be calamitous in a crisis situation. Where both adversaries have missile capability, accidental or unauthorized firings could trigger retaliation and a massive escalation in missile attacks.

A militarily disadvantaged nation might adopt a launch-on-warning policy, use missiles to make preemptive strikes against threatening forces, or as weapons of terror against civilian populations. The latter occurred in the Iran-Iraq Gulf wars, and in Afghanistan, with the use of Scud missiles. Even where fundamental imbalances may not exist, faulty information or bad judgment in situations of exceptional tension could lead to the unleashing of missile attacks.

More disturbing still, because highly accurate guidance and control systems are not easily acquired, and because nuclear or other weapons of mass destruction are less dependent on accuracy than is conventional ordnance, countries may conclude that their missiles' greatest military value is to carry weapons of mass destruction. Such a conclusion could put pressure on some states to reconsider commitments they have made to forswear weapons of mass destruction.

For much of the Cold War, the United States and the former Soviet Union engaged in a lengthy missile race. It has taken considerable effort for Washington and Moscow to wind down a massive confrontation of forces in Central Europe, and to agree on continuing reductions in tactical and strategic forces. It would have been far easier and safer never to have run the race in the first place.

Those headed toward regional missile races ought to learn from this lesson and not repeat the high-risk policy.

This comment, which does not necessarily reflect the views of the U.S. government, was adapted by the International Herald Tribune from a speech given Wednesday to an arms-control conference in Nagasaki.

The writer is executive secretary of the International Convention to Combat Desertification. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: World Language

PARIS — A universal language has for nearly three centuries been the dream of scientific men, and some think that the wonderful strength and vitality of our English tongue points to its general adoption in the course of time. It is the language which has made the greatest progress in respect of the numbers speaking it within this century. English is pushing its influence into every corner of the habitable globe.

1920: A Lot of Bang

PARIS — Lord Inverforth has signed a contract for the sale of the whole of the British surplus ammunition dumps in France to Mr. F. N. Pickett for £2,000,000. This is said to be the world's biggest deal of the kind, though Mr. Pickett had previously bought all the French and Belgian surplus stores of ammunition, the sum involved in the two deals

being another £2,000,000. It is estimated that the production of all these explosives cost approximately £100,000,000.

1945: Nazi Captured

21ST ARMY GROUP HEADQUARTERS — Joachim von Ribbentrop, last of the Nazi ringleaders, was captured yesterday [June 14] in a Hamburg boarding house and stripped of a cyanide poison vial before he had a chance to use it. Adolf Hitler's former foreign minister said he had been hiding in Hamburg since April 30 and planned to give himself up at some later date. He was identified by his sister, Dr. Marie Janke. Military detectives sent him off by plane to Frankfurt, where he will be questioned by experts at Supreme Headquarters, Allied Expeditionary Force. The once resplendent champagne salesman is wanted by at least ten European governments for war crimes.

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Royal and Rural: 2 Morocco Trips

By Thomas Fuller
International Herald Tribune

RABAT, Morocco — From the start, there was something incongruous about faxing a king. A letter to His Majesty, after all, should be delivered by a breathless messenger who hands over his missive and immediately prostrates himself.

The monarch in question was one of the few true kings alive today, Hassan II of Morocco. The fax was short.

It began: "Your Majesty, You have never met me but You may remember my grandparents and perhaps my mother. My grandfather, Marcel Gigout, was Your natural sciences professor at the Collège Impérial in Rabat and my grandmother, Lucienne, taught your brother and sisters English."

The fax went on to ask whether His Majesty were available for an audience with a member of the fourth generation (me) of a family that first came to Morocco when the country was a French protectorate.

A fax delivered to His Majesty, a secretary in the royal entourage told me, must be perfect. By the fourth try, it had been properly received and four weeks later came the reply. The king was waiting — although perhaps "waiting" is not the word.

The trip to Morocco, in fact, was two trips. There was the royal trip, a mix of polite phrases, dress clothes and elegance. And there was the overland trip, starting with the motorcycle I rode to Morocco (and the accompanying leather jacket and beat-up boots) and ending with the thief in Tangier who swung his switchblade and sliced open my chin.

My friend Eric came along to take photos for stock photo agencies in the United States. He photographed both trips: the king, his palace and offices. And, from the back of the motorcycle, the shepherds, medinas and extremes of the Moroccan countryside: the peaks of the Atlas Mountains and the orange-colored dunes of the Sahara.

Before this visit, I pictured Morocco as a pastel place, one that I had seen in the watercolors that my great-grandfather, an engineer who designed ports and roads there, had painted in his spare time.

Arriving in Tangier, a port that my great-grandfather had designed, our first taste of Morocco was the bribe we paid to expedite the motorcycle through customs. "Bienvenue au Maroc," the customs worker said pocketing the French money we gave him.

We left the city as soon as we could to head south, where we would remain until our meeting with the king in Rabat. Passing through the vast medina at Fez and the Roman ruins at Volubilis, we traveled beside the snow-capped Atlas Mountains and followed the oases into the Sahara. In Casablanca we bought the dress clothes we would need for our meeting with the king, clothes that had been too cumbersome to carry on the motorcycle.

From the moment we arrived in our elegant hotel in central Rabat the motorcycle was stored away, the boots replaced with loafers and the faded T-shirts with oxford shirts and neckties.

A shiny chauffeur-driven Renault 25 with a royal laissez-passer pasted to its windshield picked us up at our hotel and took us through the ordered streets of the Moroccan capital to one of the king's secondary residences. We were advised by an aide riding with us to simply shake the king's hand when introduced, and not to bow and kiss his hand as is customary for Moroccan subjects.

THE car stopped at an ornately decorated metal gate. We were escorted to a small waiting area and sat in soft chairs until a man in white robes hurried in and signaled for us to follow. The gate was opened and inside the palace grounds, perhaps 20 feet away, was a distinguished-looking man in a crimson jacket. He leaned on a cane as he approached us. "Monsieur Gigout," the man — indeed, the king — said, referring to me with my grandfather's surname (I dared not correct him). "What brings you here from the United States and journalism?" He spoke in French.

During our brief conversation, he asked what my impression of Morocco had been. I told him about the watercolors that my great-grandfather had painted 80 years ago, and that I had been comforted to see that many of

the images that he had captured in those paintings — the casbahs, the djellabas, the donkey carts — endured in today's Morocco, that the old Morocco still existed side by side with the modern. The conversation ended by the king's telling us that we were welcome back whenever we wanted.

We left the palace grounds and headed back to our hotel, where we stuffed our dress clothes into the motorcycle panniers and slipped our boots back on. We were once again bound for Tangier, where we would take a ferry back to France.

The day of our departure Eric and I woke up early to photograph what would be our last Moroccan sunrise. We trudged out of our hotel room and walked to Tangier's main street, which offered a postcard view of the port and Spain across the straits.

After snapping a few shots, we headed back in the direction of the hotel, only to be stopped by a man in a djellaba who grabbed Eric's large camera bag and ran down a narrow road toward the port. I found out later that this small insignificant street where the thief had fled was the very spot where my grandmother, who had grown up in Tangier, had learned parallel parking and hill starts. Eric and I chased the thief down the hill where she had once struggled with clutch and brake. As I caught him and tried to wrestle him to the ground, he swung a switchblade that I didn't realize he had until it was halfway to my face, and ran off. The wound was superficial, but bled a lot as my facial wound does.

He had dropped the heavy bag before fleeing; so, camera gear intact, we returned to the hotel, cleaned the wound and packed our things for our departure.

A few hours before our ferry left I went on a mission to find my grandmother's childhood house. I found the house fairly easily. It had been better days but the garden was well-tended and alive with the brilliant colors of a Moroccan spring. A butterfly banded holding together my lacerated chin. I spoke to a woman who seemed to be the owner. After explaining why I had called on her, I asked if I could walk around the garden. The woman agreed. "It won't be the same as when your grandmother was here," she said. And she disappeared into her house.



In search of memories handed down the generations: King Hassan II and scenes from past and present Morocco.

THE MOVIE GUIDE

Congo

Directed by Frank Marshall, U.S.

There are some early-warning signs that "Congo," based on the Michael Crichton bestseller, could be the "Ishtar" of the summer: 1) The kitschy, African music at the beginning, as the movie opens on beasts traversing the wild, dark continent. You think you've stumbled into a special on the making of "The Lion King." 2) The acutely un-stellar casting. With an ensemble consisting of Dylan Walsh, Laura Linney, Tim Curry, Ernie Hudson, Joe Don Baker and Grant Heslov, boy, will the lion sleep tonight. 3) The director, Frank Marshall, who made "Alive," the uplifting story of a group of rugby players who are each other when their plane went down in the Andes. The audience twiddles

its thumbs waiting for the big finale, an ultimately disappointing affair of earth-shaking soundstages and special-effects lava (as the big volcano gets into the act) and mad-as-hell killer apes. It's then that the beasts get on with the task they should have performed much earlier — getting rid of that cast, one by one. (Desson Howe, WP)

Braveheart

Directed by Mel Gibson, U.S.

As director, star and producer of "Braveheart," Mel Gibson turns the unpromising story of a 13th-century kilted wonder into one of the most spectacular entertainments in years. The story of William Wallace, who led the Scots in a struggle for freedom from England's brutal rule, "Braveheart" evokes old-fashioned movie epics. Gibson's stroke of brilliance is to

revel in those epic qualities — tragic romance and unbounded heroism, gorgeous photography and a cast of thousands — and add a swift contemporary kick. "Braveheart" is also an explosive action movie. The logical comparison is not with the pallid "Rob Roy" but with a "Die Hard" film. The medieval Scots use spears, swords, axes and giant rocks, and they use them with a vengeance. They get quite bloody in the process, too. Despite that, the early episodes are more lyrical than brutal. And there are flashes of irreverent wit, including a weirdly zany rock-throwing contest between Wallace and his loyal friend Hamish (Brendan Gleeson). The film goes over the edge at the end, when Wallace is captured by the English and comes to seem like a wild-eyed zealot. And some viewers will balk at the vio-

lence. But "Braveheart" is a great, ambitious gamble that pays off. (Caryn James, NYT)

Party Girl

Directed by Daisy von Scherler Mayer, U.S.

Daisy von Scherler Mayer's silly urban comedy "Party Girl" imagines bohemian life on the Lower East Side of Manhattan as a floating open-house bash at which the world bear never slacks and hair colors and costumes change nightly. The area's clubs and lofts teem with exotic twenty-something punks, transvestites and aspiring celebrities of every race, sex and nationality eager to imbibe any potion that can perpetuate the fantasy. Leading the revels is Mary (Parker Posey), a brash, self-styled diva of 24 who dresses in Gaudier and dances till the sun comes up. Mary's friends

include Leo (Guillermo Diaz), who is a club DJ; her fashion-conscious gay buddy, Derrick (Anthony DeSando), and Rene (Donna Mitchell), a grim-faced club owner. "Party Girl" aspires to be a mid-'90s answer to the Susan Seidelman movies "Smithereens" and "Desperately Seeking Susan." Although it has some of the same frothy energy, it has no real story to tell. (Stephen Holden, NYT)

Sukiyaki

Directed by Junichi Suzuki, Japan.

Junichi Suzuki strongly feels that in Japan as elsewhere action, sex and violence have taken over both screen and tube. In protest he got together 10 million yen (\$115,000), a risible sum with which to make a movie, asked the cast and crew to accept deferments, and has

directed a wonderfully warm home-drama about a restaurant-owning family in Yokohama. There is neither sex nor violence but there is that wry and loving concern for people and their problems which used to be one of the definitions of Japanese film. Sachiko Hidari (remember her in Hani's "She and He") is the senile grandmother who still loves her sukiyaki. Her widowed son (Tamio Kawachi, remember him as the teenager in "Black Sun") and his grown twin daughters still somehow run their old-fashioned restaurant. Life is just one thing after another and this is shown with affection, restraint and respect. When the grandmother finally lets loose her beloved canaries, this scene carries more excitement and emotion than any of the current thrill-filled climaxes. (Donald Richie, IHT)



Laura Linney and Ernie Hudson in "Congo."

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Now, for the Unexpected: Touch of Naples in France

By Patricia Wells
International Herald Tribune

PARIS — Quiz any Frenchman about Italian cuisine and he will insist it comprises no more than 10 dishes. After naming pizza and spaghetti bolognese, the Frenchman will be at a loss for words.

That's exactly what Claudio Puglia — a 34-year-old Neapolitan-born would-be gastronomist — is up against in France. On top of that, his five-year-old restaurant, La Romanica, is tucked away in the less than cheery suburb of Clichy. Never fear. This energetic, egoistic, talented, never-say-die chef will make it somewhere, someday.

Meanwhile, he holds down the fort in this unusual little courtyard restaurant just a few steps from the border of Paris proper. He's a showman, like all proper southern Italians.

He's explosive, highly opinionated, and perhaps just a wee bit exaggerated. And he's talented.

In an elegant, yet unstuffy dining room decorated in rose tones, amid the shiny silver and elegant glassware, he fights an uphill battle to separate his cuisine from the world of mom-and-pop pizzerias and red-checked tablecloths.

Yet Puglia is the first to admit that Italians have been their own worst ambassadors: "The French exported their cuisines by sending chefs in white jackets around the world. We sent gigolos."

In this land of sparse decent Italian fare, it's hard to find fault with Puglia's cuisine: It's elevated, sophisticated, intelligent, carefully calculated. It's no surprise to find that his well-meaning but expensive Italian restaurant in Paris. But he's invested in his future, and he's banking that we will, too.

Puglia loves to tell you that each day he turns off at least 20 percent of his clientele by refusing to submit to diner tyranny — requests for spaghetti bolognese, arabbattata, etc. etc. "Do you walk into Sander's restaurant and ask him to make Robuchon's foie gras? Of course not," he bellows, expropriating a berth in a very special, very exclusive camp.

WHAT you will find at La Romanica is, quite simply, very real Italian cuisine, unlike the fare to be found in much of Paris. Chef Puglia — who grew up just south of Naples in the region of the finest buffalo-milk mozzarella — describes himself as an autodidact of the kitchen, meaning he's totally self-taught. He hates it when people ask what "mamma" made, since she was off working in the fields all day and hardly had

energy to devote to gastronomy at night. She fed her family simply.

Through sheer energy and passion for food, he's arrived at a spot in his life where he feels he really has something to offer.

Who else but a showman could serve *tagliolini romaticci*, fresh pasta, first sauced in a blend of bouillon, cream and sage, then tossed tableside in a carved-out half-wheel of Parmesan cheese, until it drools with creamy tenderness? (It's a typical Bolognese restaurant specialty, yet hardly one found in the fields south of Naples.)

In his state-of-the-art kitchen, Puglia turns out some culinary wonders, showing us, once again, that the Italians are true masters at simplicity, ultra-sensitive to ingredients and their rightful seasons. His *tagliolini Cloudio* is no more and no less than fresh homemade pasta tossed with strips of home-

dried tomato, strips of zucchini, and a touch of hot pepper, an ethereal, barely sauced dish, though definitely a bit pricey at 125 francs (\$25) a serving.

He imports tiny, fresh balls of mozzarella from Italy, and sets them in a pool of homemade tomato sauce, making for a thoroughly simple and sublime first course.

Or he'll marinate sparkling fresh sardines in coarse salt, then sauce them with a balsamic vinaigrette, all set on a bed of greens.

Fresh langoustines are moistened with a delicate bread-crumbed and parsley dip, then quickly deep-fried and paired with a tangle of pasta blackened and flavored by pungent squid ink.

Fish are given tender care here, with superbly fresh roulets set on a bed of leeks and peas, surrounded with a delicate emulsion of *limoncello* (homemade lemon liqueur),

thickened with lemon juice and olive oil. An expert at marinades and infusions, he loves to take his sweet *Marzemino* wine, boil it off with an avalanche of sugar and a touch of cinnamon, then toss peach slices into the liquid, allowing them to cool until their flavor is rich and infused.

With a bible-like selection of Italian wines on his list, some good picks include anything from Azienda Ceretto in Piedmont (try the Barolo Zonchera, 1988, at 240 francs), Masi's Valpolicella 1992 from the Veneto (125 francs), and Il Poggio's 1989 Tuscan red Carmignano Riserva (250 francs).

La Romanica, 73 Boulevard Jean-Jaurès, 92110 Clichy; tel: 47-37-29-71. Closed Saturday lunch and Sunday. Credit card: Visa, Menus at 185, 280 and 350 francs. A la carte, 350 to 400, including service but no wine.

THIS GUIDE / OPERA

Highlights of opera performances in Europe in June:

Amsterdam
Het Muziek Theater: "Die Meistersinger von Nürnberg." June 20, 23, 27 and 30.

Brussels
La Monnaie: "Un Ballo in Maschera." June 18, 20, 22, 23, 25, 27 and 30.

Florence
Teatro della Pergola: Mozart's "Zaide" and Luciano Berio's "Seihere, Duetto and After Zaida." June 19, 20 and 22.

Geneva
Grand Théâtre: Gluck's "Orphée," conducted by Jeffrey Tate. June 18, 21, 24, 27 and 30.

London
Covent Garden: Verdi's "Il Due Foscari." June 24, 27 and 30.

Madrid
Teatro de la Zarzuela: "Die Entführung aus dem Serail." June 18, 20 and 22.

Marseille
Opéra de Marseille: Ernest Reyer's

"Sigurd," conducted by Spiros Argiris. June 22, 25, 27 and 30.

Milan
Teatro alla Scala: "Il Raccconti di Hoffman." June 26, 28 and 30.

Naples
Teatro di San Carlo: Cimarosa's "Il Mese di Capella." Menotti's "Il Telefono" and Poulenc's "La Voix Humaine." June 17, 20, 23 and 25.

Paris
Opéra Comique: "La Bohème." June 22, 23, 25, 26, 28 and 29.

Stuttgart
Staatstheater: Prokofiev's "Die Liebe zu den Drei Orangen." June 17 and 22.

Venice
La Fenice: "L'Olandese Volante." June 18, 21, 24, 27 and 29.

Vienna
Wiener Staatsoper: "Don Carlo." June 18, 26 and 29.

Zurich
Opernhaus: "Norma." June 24, 27 and 30.

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INTERNATIONAL

Militants in Israel Planting Their Flags

As 'Deadline' on Peace Plan Nears, Sides Stake Out Positions

By Clyde Haberman
New York Times Service

BARQAN, Israeli-Occupied West Bank — The latest battlefield between Israeli settlers and the government many of them despise is not much to look at, a craggy hillside dotted with 13 ramshackle buildings that were abandoned years ago.

With a great splash of publicity, which was one of their goals in the first place, hundreds of settlers took over those buildings this week, cleaning them, installing electricity and designating one concrete wreck a hall for religious studies.

It was the settlers' way of letting Prime Minister Yitzhak Rabin know that the struggle for land is being played for keeps and that they will not stand by silently while his government prepares to hand authority over a fair amount of the West Bank to the Palestine Liberation Organization.

"Every place where there are no Jews, this government plans to give it to the PLO terrorists," said Aharon Domb, a settler leader. "If the Jews don't take action now, it will all be lost."

The protesters planted their flags just outside Barqan, in a northern area of the West Bank, atop houses that they said were owned by Jews but abandoned in the late 1980s when the Palestinian uprising against Israel reached full swing.

Their action here is part of an attempt to cast the government as lacking legitimacy and to portray themselves as the true Zionists, not Mr. Rabin, who as an army general captured the very lands on which they live. It is a first shot, they say, in a new campaign to lay claim to as much West Bank territory as possible before control is transferred a piece at a time to the PLO leader, Yasser Arafat.

As everyone here knows, the clock is running for real.

Mr. Rabin and Mr. Arafat, almost a year behind schedule in their timetable for expanding Palestinian self-rule beyond the

Gaza Strip and the West Bank town of Jericho, say they want to reach agreement on the next stage by July 1.

That date has assumed almost mythic dimensions, and all parties — Israeli government officials and settlers, PLO leaders and their militant Islamic opponents — are staking out positions with a sense that crucial change is imminent.

For many Palestinians, July 1 is close to a holy date. If it comes and goes without anything staying the same, there will be trouble, some senior figures warn, although Mr. Arafat is conspicuously not among them.

In turn, Mr. Rabin insists that July 1 is a "target date," not a hard deadline. He and other senior Israeli officials have begun cautioning that it may take a few extra weeks to iron out all the details of holding Palestinian elections and repositioning the Israeli Army in the West Bank — the heart of the next phase.

But the Israeli government also recognizes that, even if more work will be needed, it cannot afford to enter July leaving Palestinians with an impression that wheels are being endlessly spun.

Concerned about the safety of the 130,000 settlers in the West Bank, Israeli officials say the army will leave major Palestinian towns in stages, most likely starting with the northern towns of Jenin, Nablus, Tulkarm and Qalqilya. More problematic towns near Jerusalem — Bethlehem, Ramallah, and the ever-troubled Hebron — will come later, officials say.

Palestinian officials, eager for progress of any kind, suggest that they will accept less than a full Israeli withdrawal, at least initially. But they insist that Israel must commit itself to a specific schedule of troop movements, even if soldiers remain near Palestinian towns for a while, including the period when elections are held.

There is still a lot to discuss: the specifics of security arrangements, whether

Palestinians living in East Jerusalem will be allowed to run for office and the exact powers that Israel will transfer to the Palestinians. Who, to cite a critical matter, will control West Bank water supplies and land use?

As negotiations continue, the various sides are positioning themselves.

Mr. Arafat, locked in a struggle for primacy in Gaza, seems to have reached an understanding with Islamic groups like Hamas not to press a crackdown too hard as long as anti-Israel attacks stay within bounds.

Each Islamic suicide bombing in the last year has put him further from his goal of West Bank control, and if only for that reason he wants the violence to stop.

As for Hamas, its attacks may be popular in Gaza, but they are also blamed by many there for making daily life tougher. When bombs go off, Israel retaliates by sealing off the territory and keeping laborers from needed jobs.

A striking decline in violence lately seems to be no coincidence.

There have been no bombings inside Israel in nearly five months. On Tuesday, the Shin Bet security service reported a sharp decline in all forms of Palestinian violence, from firebombings to shootings. There were 49 incidents in May, compared with 302 in May 1994, the Shin Bet said.

Nonetheless, tensions are high.

Early Wednesday, Israeli soldiers shot and killed three Palestinians, two of whom were said to belong to Mr. Arafat's personal security force and reportedly were helping the third man sneak across the border between Gaza and Egypt. Israel still controls that border.

On Monday, Israeli forces fired tear gas and rubber bullets, wounding a dozen Palestinians protesting the demolition of an Arab-owned house in East Jerusalem. City officials said it had been built illegally.



WRAPPED UP IN THEIR WORK — Workmen draping a tower Thursday on the Reichstag in Berlin as part of the latest venture by the artist Christo. The building is scheduled to be enveloped in 807,000 square feet of silver fabric by Wednesday.

Cairo Couple Vowing to Fight Divorce

Agence France Presse

CAIRO — A Cairo University professor, Nasser Hamed Abu Zaid, vowed Thursday to pursue a legal battle after a court ruled that he and his wife must be divorced on grounds of heresy.

Egyptian intellectuals expressed shock at the verdict, seeing it as a sign of the gains made by Islamic fundamentalists working within state institutions. They warned that it opened "the gates of hell."

Mr. Abu Zaid's wife, Ibtihal Yunis, said the couple had decided to continue the battle.

"First, we will ask for the judgment to be suspended, then we will appeal to the Supreme Court," she said, adding that the decision followed "contacts with the authorities."

Issuing the verdict on Wednesday, the presiding judge of the appeal court, Farouk Abdel Alim, said Mr. Abu Zaid had "published studies and research attacking Islam and inciting disaffection for Islam's rulings on tradition."

Islamic fundamentalists had filed the suit, demanding the forced divorce of the couple on the ground that a Muslim woman cannot be married to an apostate.

"We are living in a climate where some people impose a judgment on people in the name of God and the judiciary can take years to rule on an appeal," Mr. Abu Zaid, 52, said.

Mr. Abu Zaid, a professor of Arabic, had said before the verdict that he would prefer to live in exile if the case was lost.

REVENGE: For Lady Thatcher, It's Payback Time

Continued from Page 1

Major "quite a good inheritance: A Britain that was rather proud of itself again, that reassured all the things that made our country great," a party of "true conservatism." Now, she says, it is gone.

Mr. Major's Tory colleagues have not exactly leaped to his defense. Edwina Currie, a member of Parliament who was a minister in Mrs. Thatcher's government, suggested that the baroness was "a bit barmy."

Michael Portillo, a Major cabinet member closely identified with Mrs. Thatcher, said, when asked to defend his boss: "The prime minister can take care of herself."

The book itself is relatively mild. "At first," she writes of her ouster from 10 Downing Street, "my involuntary 'retreat' was dominated by dark thoughts." But now, she writes, she can see things more clearly, and they do not look good.

"Western defenses are being run down, and the resolve to use them is dwindling," she writes. "There is deep confusion about the future of Europe and Britain's place in it. The 'special relationship' with the United States has been allowed to cool to near freezing point."

"Not that everything is bad," she goes on. "The world is a freer, if not necessarily safer, place than during the Cold War. But that most important element of political success is missing — a sense of purpose."

More damaging than the book have been the countless interviews.

"People say we are not conservative enough, and they are right," she told the Daily Telegraph.

"In my period we were the people who kept down expenditure," she said. "That was expected of us. For some reason, some of the politicians thought it was popular to spend money again."

"You can imagine my horror when the government that succeeded me cut mortgage interest relief three times, put a tax on insurance you pay as a homeowner and cut the married man's tax allowance. They have hit everything I believed in."

"I was turned out because I said to Europe, 'No, no, no,'" she told David Frost on his Sunday morning program, referring to what she contends has been Britain's kowtowing to "bureaucrats" at the headquarters of the European Union in Brussels.

"That 'no, no, no,'" she said, "has been turned into 'yes, yes.' I think that is why we do not at the moment have the full support of the public. I think it's quite clear why people are discontented, because we have not done the things we said we would do and for which they voted for us."

An interviewer on BBC Radio asked her directly: "Why

are you making life difficult for your successor?"

"I'm not making life difficult for him," Lady Thatcher responded. "I'm making it quite clear that, insofar as we're down in the opinion polls, it's because we've not been Conservative enough. John Major fought the last election on a policy I thoroughly agreed with, which was lower taxation and more incentives for those who work hard and look after their families well. Now that hasn't been quite how it's turned out."

In fact, Mr. Major played a relatively passive role in Mrs. Thatcher's ouster and was chosen, after a bitter donnybrook, precisely because he did not represent either wing of the Conservative Party.

Her criticisms could not come at a worse time for him. The Tories are deeply divided and sink further in every new poll. They have lost important local elections in the past few months in Scotland, England and Wales.

Mrs. Thatcher's admirers in the cabinet are reportedly conspiring to oust Mr. Major. A Labor Party member of Parliament asked Mr. Major if he had anything to say about the "malicious criticisms made on TV by Baroness Thatcher."

"I've known my right honorable friend for many years," Mr. Major said, employing the customary parliamentary term of endearment. "And I wish her well with her book."

The strength of the Serbs around Sarajevo is also formidable. They are believed to have 500 to 800 heavy weapons within range of the city. Civilians are vulnerable to Serbian tank, mortar, and artillery fire at any time, and the Serbs have repeatedly shown their readiness to use terror as a weapon. All the high ground is in Serbian hands.

But scrambling to circumvent an arms embargo whose initial effect was to perpetuate their vulnerability, the Muslim-led Bosnian forces now have some means of hitting back.

Paul Beaver, a London-based military analyst, said the Bosnian forces had succeeded in acquiring a large number of mortars, some long-range anti-tank weapons and a few tanks. Smaller weapons are increasingly produced domestically in places like Novi Travnik and Bihać.

"The Bosnians have very rapidly become a proper army," he said. "They can probably mount one small battle group of about 50 tanks and 50 guns. They also have some increasingly good special units capable of breaking through enemy lines."

Western analysts say most of the Bosnian weapons have come from Turkey, Malaysia and Iran, three countries with which the Sarajevo government has established close commercial and diplomatic relations.

"Our relations with Iran are quite firm," said Kemal Mufic, the chief aide to Alija Izetbegovic, the Bosnian president. "If you find yourself in as hard a situation as we are in, you accept the help you can get."

The conduit for most of the weapons has been Croatia, a nominal ally of the Bosnian government whose own intense armaments program has been tolerated by the United States despite the embargo on all the states that emerged from the former Yugoslavia.

But Croatia, still wary of the Bosnian government after the Muslim-Croat war of 1993, has been reluctant to allow the Bosnian Army to get the tanks and heavy guns it most needs to push through entrenched Serbian artillery positions.

"The biggest problem for the Bosnian Army is still artillery," said an American official.

The Bosnian Army outnumbered the Serbs, probably by about 45,000 men, and its motivation is widely viewed as superior. The Serbs are stretched thin, and their

U.S. Agency Monitoring Inquiry on Boeing 757

Reuters

NEW YORK — Federal aviation records show that a United Airlines Boeing 757 sped out of control in midair as it approached the Los Angeles airport in February before the crew regained control and landed safely, Newsday reported Thursday.

The newspaper quoted federal aviation officials as saying they had no reason to question the safety of all 757s, the twin-engine, large-capacity jets used by many domestic airlines, or the engines involved.

However, National Transportation Safety Board officials told Newsday that although there was no crash, the agency was monitoring an investigation by Boeing, the engine manufacturer Pratt and Whitney, and United Airlines.

Federal aviation records show the investigation began Feb. 13 when an overspeeding PW-2037 engine on United flight 83 from Newark, New Jersey, to Los Angeles, caused the plane to climb at 6,000 feet (1,830 meters) per minute before the crew regained control and made an emergency landing, Newsday reported. The plane was 1,100 feet off the ground when the trouble began.

A spokesman for the Federal Aviation Administration said that since the incident, agency officials have examined about 100 of the engine units without finding a similar problem.

'Increasing Tension' in Iraq

Brief Revolt by Elite Troops Signals Unrest, U.S. Says

Reuters

WASHINGTON — The United States said Thursday that a brief "mutiny" by Republican Guard tank troops had occurred near Baghdad and was apparently quashed by loyal Republican Guard troops.

The State and Defense Departments said the revolt against President Saddam Hussein took place on Wednesday and was apparently the second such incident in recent weeks.

"We don't know all the details, but we can confirm that there was a mutiny by a small number of Republican Guard armored troops in Ahu Ghraib, which is near Baghdad," said Nicholas Burns, the State Department spokesman. "It was apparently put down by other Republican Guard units."

Neither Mr. Burns nor the

Pentagon spokesman, Ken Bacon, who gave similar but separate briefings on the issue, said where the information came from. But other U.S. officials cited intelligence sources.

The U.S. report said the clash had involved an attack by rebel tank troops on a government radio facility in Ahu Ghraib, the site of a military camp and prison about 20 kilometers (12 miles) west of Baghdad.

"It suggests that there is increasing tension within his army," said Mr. Bacon. "It certainly appears that Saddam Hussein is facing increasing pressure from groups that have been loyal to him in the past."

The Iraqi government denied that there had been any unrest inside the country in dis-

ing reports that they said originated with exiled Iraqi opposition figures in Damascus.

The official U.S. assessment said the uprising was believed to have been led by members of the Dulaimi tribe, one of the major Sunni Muslim tribes of Iraq and traditionally a strong supporter of Mr. Saddam.

"We think this is the second incident of unrest in recent weeks involving this tribe," Mr. Bacon said. "There was some unrest recorded west of Baghdad in May involving the same group and we think it was sparked by Saddam Hussein's government's torture and killing of a senior tribal official who had been accused of attempting to plot a coup against Saddam Hussein."

Pact Allows Russian Vote Later in Year

The Associated Press

MOSCOW — The upper house of Russia's Parliament reversed itself Thursday and approved a compromise election law, clearing the way for parliamentary elections to be held in December as planned.

The Federation Council had rejected the bill Wednesday but overturned its decision under pressure from Parliament's lower house, the Interfax news agency reported.

Lawmakers voted, 113 to 9, in favor of the bill, which sets ground rules for the first time for elections to the lower house, the 450-seat State Duma.

President Boris N. Yeltsin had vetoed a similar version last month but was involved in shaping the compromise version that maintained the 50-50 split between candidates elected individually and those elected on party lists.

The Federation Council, which consists mostly of regional leaders opposed to powerful parties, had wanted 300 seats for individual candidates and 150 party seats.

It has argued that the 50-50 split would favor Moscow-based political parties, many of which are little known in the provinces.

Observers have noted that for Mr. Yeltsin and his allies, a system of heavy party representation could mean losses to both conservative and liberal opponents.

CANCER: Estrogen's Risk

Continued from Page 1

54 percent greater risk of developing breast cancer than non-users. For women in the 60-64 age group, the risk was 71 percent greater, compared with nonusers.

Even with these heightened chances, however, breast cancer remains relatively rare. For example, a 60-year-old woman, without a strong family history of breast cancer and not taking estrogen, has a 1.8 percent chance of developing the disease in five years, Dr. Stampfer said. If the same woman has taken estrogen for five years and is continuing to take it, the risk of breast cancer rises to 3 percent.

Curiously, the researchers found that if a woman had taken estrogen in the past — even

for as long as five years — but then stopped, her risk of cancer quickly dropped to that of a woman who never used estrogen.

Overall, breast cancer causes about 4 percent of deaths in women. In contrast, heart disease remains a much more frequent killer of women, accounting for about one-third of deaths.

Data from the same group of nurses, published in 1991, found that current use of estrogen cut a woman's risk of having a heart attack or dying of heart disease by 44 percent.

Nevertheless, said Graham A. Colditz of Harvard Medical School, lead author of the new study, it may turn out that a nonsmoking woman with a normal weight and normal cholesterol who is just entering menopause — that is, someone who is unlikely to be at risk for heart disease — has more to lose than gain by taking estrogen.

"We may need to re-evaluate where estrogen fits into the hierarchy of approaches to preventing heart disease," Dr. Colditz said.

But officials at the National Institutes of Health warned against taking the results of the nurses' trial as a final word. They say a more precise answer to the question of whether to use hormones is likely to come from their Women's Health Initiative, a huge experiment looking into breast cancer, heart disease, osteoporosis and colon cancer.

About 27,500 women will be randomly assigned to receive either hormone or placebo, and their health will then be observed for at least nine years.

Seoul Foe Puts Toe in the Water

Agence France-Presse

SEOUL — The leader of the South Korean opposition, Kim Dae Jung, stepped further out of self-imposed political retirement on Thursday, declaring that he had every right to run in elections.

Mr. Kim, who on Tuesday registered as a political campaigner for the main opposition Democratic Party, told voters in a suburb of Seoul: "I have every right to campaign, vote and run in elections."

It was the strongest indication yet that Mr. Kim, 70, might have put behind him the retirement period that has lasted since 1992.

ICON: In Leaving Hong Kong, a Baroness Casts a Vote of No-Confidence

Continued from Page 1

Kong's future has also diminished her political effectiveness.

Nonetheless, her decision to leave, after repeated statements to the contrary in recent years, is an unwelcome news to some local commentators.

"Baroness Dunn is almost an icon, a queen," Ong Chin Huat, an editor with Hong Kong Tatler, a local society magazine, told Bloomberg Business News. "She speaks for the Hong Kong people, and this is a no-confidence vote."

Lady Dunn, who has headed Swire Pacific Ltd.'s trading division since 1981, urged that her actions not be "misinterpreted" as she pledged to continue to lobby for Hong Kong interests in the House of Lords.

"I will make sure that Hong Kong's voice is heard by Britain's political leaders."

Despite the recent colony-wide shift in power away from

British supporters to those eager to curry favor with Beijing, Lady Dunn's long, largely unsuccessful fight to gain more British passports for Hong Kong residents gained her strong local support.

Even among the most ardent China supporters, concern with securing the right to leave Hong Kong should life change too drastically under Beijing's rule remains a major worry for the wealthy and middle classes.

Nearly 1,000 people leave Hong Kong every week, having obtained the right of residence in, or passports from, countries such as Canada, Australia, the United States and New Zealand in addition to Britain. Authorities believe 500,000 Hong Kong residents have somewhere else to go now.

Many who leave return after acquiring a passport in their adopted homes, and others, like Lady Dunn, continue to stay

closely involved in business from afar.

But China's mixed signals on its future treatment of Hong Kong and Chinese-born people holding new foreign passports has prompted some disquiet among recent returnees.

Britain and China have yet to hammer out the precise policy that will regulate the right of abode in Hong Kong for former residents of the Chinese race who own a foreign passport.

China's uncertain stance has prompted at least one country, Australia, to suggest that direct

talks with Beijing may be necessary to clarify the matter.

Without a clearly proven, permanent link to their new country, indications from China suggest that ethnic Chinese in Hong Kong holding foreign passports might not be accorded the full rights granted to other foreigners residing there.

Chinese officials have given broad assurances that all holders of foreign passports will be granted the full privileges of their foreign nationality, but Britain and other countries are seeking a more specific policy statement from Beijing.

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BOSNIA: Fighting Erupts

Continued from Page 1

of water. The city has been without water, electricity and gas for almost three weeks, and the food stocks of relief organizations are exhausted. No aid convoys can reach the city, and an airlift that used to ferry food has been down since April 8, the longest break since it began in July, 1992.

"We have said very clearly that we cannot live through another winter of siege," said Muhamed Sacirbey, the Bosnian foreign minister. "Draw your own conclusions."

Military analysts remained skeptical, however, that government forces would really undertake such a broadly advertised full-scale attack in the face of several hundred Serbian artillery pieces ringing the capital. Rather, it appeared that the initial target might be to capture part of the Sarajevo-Olovo road, near Srednje, and move south from Visoko toward Iljas.

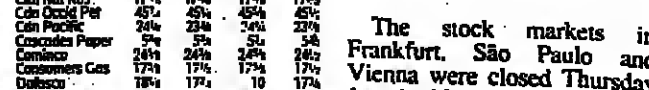
The Bosnian Serbs, who hold 70 percent of Bosnian territory and now say they are interested in a peaceful settlement, reported extensive fighting and said it proved that the government was uninterested in a settlement. The Bosnian Serbian press agency said that "the Iljas region is in flames," but United Nations officials suggested this was an exaggeration.

"The Muslims are attempting another stupidity, but they will never succeed," said General Milan Gvero, the deputy commander of Bosnian Serbian forces.

Success may hinge in part on the attitude of Bosnian Croats, nominal allies of the government. They have the heavy artillery the government lacks and could provide crucial assistance in firepower and in opening new fronts against the already overstretched Serbs.

A substantial force of Bosnian Croats and regular Croatian troops have massed in Livno, about 100 kilometers west of Sarajevo, and have been edging toward the Croatian Serbian stronghold of Knin.

Continued from Page 11



The stock markets in Frankfurt, São Paulo and Vienna were closed Thursday for a holiday.

High Low Close Chge Opnd					High Low Close Chge Opnd				
GERMAN GOVERNMENT BOND (LIPPE)									
DM 250,000, 9% of 100 pct					Dec 95	80.00	79.05	79.08	+0.28 79.08
Sep	94.53	72.91	94.50	-0.03	Mar 96	80.95	80.10	80.85	+0.30 80.85
105-day futures, 90-day, 100% (LIPPE)					Jun 96	81.00	80.45	80.95	+0.50 80.95
Sep	94.53	72.91	94.50	-0.03	Jul 96	81.85	80.80	81.05	+0.25 81.05
Est. volume: 110,400. Open int.: 186,790					Est. vol.: 1,000				Wkd's sales: 3,565
ITALY GOVERNMENT BOND (LIPPE)									
ITL 200 million, 9% of 100 pct					HEATING OIL (N.M.R.)				
Sep	94.00	92.30	94.07	+ 0.15	42,000 gals, 60 cents per gal				
105-day futures, 90-day, 100% (LIPPE)					Dec 95	47.00	47.00	47.00	+0.00 47.00
Sep	92.50	92.25	92.00	-0.25	Aug 95	49.88	49.00	49.75	-0.41 49.75
Est. volume: 50,200. Open int.: 40,232					Mar 96	50.00	50.00	50.00	-0.01 50.00
RUSSIA GOVERNMENT BOND (LIPPE)									
RUB 500,000, 9% of 100 pct					Jun 96	51.00	50.00	51.00	+0.00 51.00
Sep	118.24	118.00	118.15	+ 0.10	Oct 95	51.90	51.40	51.40	-0.41 51.40
Est. volume: 110,400. Open int.: 186,790					Nov 95	51.90	51.40	51.40	-0.41 51.40
SWISS GOVERNMENT BOND (LIPPE)									
CHF 250,000, 9% of 100 pct					Dec 95	52.25	52.00	52.00	-0.48 52.00
Sep	114.84	112.70	114.10	+ 0.14	Jan 96	52.25	52.00	52.00	-0.48 52.00
105-day futures, 90-day, 100% (LIPPE)					Mar 96	52.25	52.00	52.00	-0.48 52.00
Sep	114.84	112.70	114.10	+ 0.14	Jun 96	51.95	51.40	51.40	-0.40 51.40
Est. volume: 197,790. Open int.: 149,100					Est. vol.: 1,000				Wkd's sales: 3,565
High Low Close Chge Opnd									
EURODOLLARS (CME)									
Dec 95	94.00	93.00	93.90	-30 94.20	Dec 95	120.10	120.10	120.10	+0.00 120.10
Jan 96	94.00	93.00	93.90	-30 94.20	LIGHT SWEET CRUDE (N.M.R.)				
Feb 96	94.00	93.00	93.90	-30 94.20	100,000 bbls, 60 cents per bbl				
Mar 96	94.00	93.00	93.90	-30 94.20	Dec 95	19.19	18.88	18.94	-0.11 18.94
Apr 96	94.00	93.00	93.90	-30 94.20	Mar 96	19.19	18.88	18.94	-0.11 18.94
May 96	94.00	93.00	93.90	-30 94.20	Jun 96	19.19	18.88	18.94	-0.11 18.94
Jun 96	94.00	93.00	93.90	-30 94.20	Aug 95	19.19	18.88	18.94	-0.11 18.94
Jul 96	94.00	93.00	93.90	-30 94.20	Sep 95	19.19	18.88	18.94	-0.11 18.94
Aug 96	94.00	93.00	93.90	-30 94.20	Oct 95	19.19	18.88	18.94	-0.11 18.94
Sep 96	94.00	93.00	93.90	-30 94.20	Nov 95	19.19	18.88	18.94	-0.11 18.94
Oct 96	94.00	93.00	93.90	-30 94.20	Dec 95	19.19	18.88	18.94	-0.11 18.94
Nov 96	94.00	93.00	93.90	-30 94.20	Jan 96	19.19	18.88	18.94	-0.11 18.94
Dec 96	94.00	93.00	93.90	-30 94.20	Feb 96	19.19	18.88	18.94	-0.11 18.94
Est. vol.: 1,000									

Thursday's 4 p.m. Close
 Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

[illegible]

12 Month	Low Price	Div	Yld	P/E	10Y	High	Low	Open	Close
12/1/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/2/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/3/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/4/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/5/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/6/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/7/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/8/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/9/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/10/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/11/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/12/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/13/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/14/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/15/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/16/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/17/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/18/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/19/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/20/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/21/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/22/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/23/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/24/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/25/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/26/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/27/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/28/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/29/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/30/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
12/31/94	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/1/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/2/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/3/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/4/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/5/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/6/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/7/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/8/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/9/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14
1/10/95	1.14	0.00	1.14	1.14	1.14	1.14	1.14	1.14	1.14

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Continued on Page 16

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Sega and Nintendo Plunge on News of Microsoft Venture

Bloomberg Business News

TOKYO — Shares in Nintendo Corp. and Sega Enterprises Ltd. plunged Thursday after the Japanese software maker Microsoft Corp. said it was holding talks with Microsoft Corp.

A report in the Nihon Keizai Shimbun said Softbank would join Microsoft in a \$12 million venture to develop video games for home computers.

After the market closed, Softbank said a joint venture with Microsoft was "one possibility." The company said it would not make any further announcement.

Nintendo stock fell 190 yen, to 4,590 (\$54.30) a share, while Sega dropped 140, to 2,840. Softbank shares surged 300, to 11,900.

Some analysts saw the Microsoft-Softbank link as a danger to makers of dedicated game players.

"The market sees it as a powerful alliance that could hurt Nintendo and Sega," said Dan O'Keefe, an analyst at Merrill Lynch & Co. in Japan.

A Sega spokesman, however, said the company did not consider a venture between Softbank and Microsoft to be a threat, and another analyst said that even if the Nihon Keizai report is accurate, the plunge in the companies' stock prices may not have been justified.

"It's an overreaction," Yutaka Sugiyama of UBS Securities Ltd. said. "People who play video games aren't likely to throw away their machines and rush to buy computers just because new games are available."

A spokeswoman for Microsoft in Japan, Kay Morita, said the two companies were discussing software for computer games. Softbank is a distributor of Microsoft software in Japan, and the two are interested in many business areas, she added.

The newspaper report said Microsoft would provide the majority of the 1 billion yen in capital for the new company, tentatively called Gamebank.

The games would run on Windows 95, the long-awaited operating system that Microsoft is to start marketing this year, the report said.

Sega has already started making its games available for home computer users. A version of the game Sonic the Hedgehog is to be in U.S. computer stores by Christmas.

Stock prices fell early in the day but moved back up on reports that the government would unveil a program to stimulate the economy next week. Traders said many investors covered futures positions after a top official asked that stock transaction taxes be lowered as part of the stimulus package.

Air Cargo: Another U.S.-Japan Rift

By Don Phillips
and Clay Chandler
Washington Post Service

WASHINGTON — U.S. officials are preparing to impose sanctions on Japanese air cargo operations in the United States in a dispute over Federal Express Corp.'s right to operate in Japan, further straining trade relations between the two nations.

The planned action comes amid a clash over access to Japan's automobile and auto-parts market — with 100 percent tariffs on 13 models of Japanese luxury cars due to be imposed by Washington late this month — and as the United States considers whether to launch a broad inquiry into allegations that the Japanese market is closed to U.S.-made photographic film.

A Transportation Department official said the air cargo sanctions would not be imposed until a group of Asian transportation ministers left the United States on Friday.

The group is currently on a three-day

visit to Denver, Seattle and San Francisco along with U.S. Transportation Secretary Federico F. Peña, Shizuka Kamei, Japan's transport minister, is not among the group.

A round of negotiations ended this week, and no more meetings have been scheduled.

The sanctions are not likely to be dramatic initially, a State Department source said. "The point is not to have a fight, it's to get a resolution," the source said.

The Japanese government has said it would retaliate against any U.S. action. At issue is the Japanese Foreign Ministry's refusal to grant Federal Express cargo routes between Japan and the company's new transfer facility at the former U.S. military base at Subic Bay in the Philippines.

The United States says a U.S.-Japan aviation agreement, dating from 1952 requires each government to accept new routes and route changes 45 days after air carriers file them. Federal Express filed its first changes in July 1993.

The Japanese say the treaty is unfair and should be renegotiated.

A U.S. official said the United States was willing to talk about renegotiating, but not until the Japanese side lived up to the current treaty. "What's at stake is not just a couple of routes here," the official said. "We really want them to abide by the agreement."

Japan says Federal Express's new routes would upset the air-cargo market balance in the Pacific region. Federal Express officials respond that Japanese carriers have a 5-to-1 advantage in weight of cargo shipped between Asia and the United States.

Because of the dispute, Federal Express announced Wednesday it would delay by 30 days the scheduled July 3 opening of its Subic Bay facility.

Federal Express obtained Japanese rights when it purchased Flying Tigers Corp.'s routes in 1989 and has expanded its routes to Asia through Tokyo and Osaka in competition with Nippon Cargo Airlines Co.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
10000	2400	20000
9000	2300	19000
8000	2200	18000
7000	2100	17000
1995	1995	1995
Exchange Index	Thursday Close	Prev. Close
Hong Kong Hang Seng	9,262.00	9,364.77
Singapore Straits Times	2,153.79	2,138.23
Sydney All Ordinaries	1,961.10	1,966.50
Tokyo Nikkei 225	14,867.28	14,860.49
Kuala Lumpur Composite	1,039.44	1,049.97
Bangkok SET	1,381.57	1,387.88
Seoul Composite Index	880.91	886.56
Taipei Stock Market Index	5,360.08	5,413.74
Manila PSE	2,782.69	2,810.66
Jakarta Composite Index	487.27	489.32
Wellington NZSE-40	2,073.45	2,084.21
Bombay Sensitive Index	3,375.88	3,325.99

Source: Telekurs

Very briefly:

- China National Chemicals Import-Export Corp. will merge several of its Asian enterprises into a publicly traded company to be listed in Singapore.
- Chinese consumer prices fell 0.4 percent in May from April.
- Shenzhen International Holdings, an optical products and property company, is paying 56.8 million Hong Kong dollars (\$7.7 million) for Shenzhen Deo Tiles.
- HSBC Holdings PLC agreed to raise its stake in Hang Seng Bank Ltd. to 61.5 percent from 61.48 percent by buying 500,000 shares at 38.25 dollars each.
- Bank Simpanan Nasional, Malaysia's soon-to-be-listed national savings bank, took over Rakyat Merchant Bankers Bhd., which was declared insolvent last year.
- Petronas Gas Bhd., a subsidiary of the Malaysian national oil company, plans to float shares on the Kuala Lumpur Stock Exchange in August, the state-owned Bernama news agency said.
- Unilever Co., the tuna canner whose president, Dumir Konstantin, committed suicide two days ago, appointed Mr. Dumir's wife, Pompham, as his successor.
- RG Capital Ltd., the private investment company of the media entrepreneur Reg Grundy, made an 89 million Australian dollar (\$64 million) takeover bid for the regional broadcaster Sunshine Broadcasting Ltd.

Vietnam Food Firm to Sell Stock

Bloomberg Business News

HO CHI MINH CITY — The food processor Long An Export Co. said Thursday it would sell shares Monday, making it one of the few Vietnamese companies so far to put with shares into public hands.

According to Nguyen Duc Thanh, director of Long An Export, the company will sell 3.5 billion dong (\$3.1 million) of stock in shares priced at 100,000 dong each.

He said the state would retain 30 percent of the company's capital, 40 percent would be offered to employees, and the rest would go to domestic companies. It is illegal for foreigners to invest in the company.

The company said it would use the capital increase to expand its exports. The company, which had exports valued at \$5 million last year, said it was planning several projects to produce dried fruits for export.

"We face strongly financed competitors," said Mr. Thanh. "We need capital to improve operations, lower production costs and improve quality."

Mr. Thanh said the company employed 1,200 people in three workshops based in Tan An Town.

There are 6,240 state-owned enterprises in Vietnam. Only five have become stock-issuing companies since 1992.

Qantas Fights Quotas in Court

Compiled by Our Staff From Dispatches

SYDNEY — Qantas Airways Ltd. said Thursday it had asked the Hong Kong Supreme Court to rule on a government decision that limited the number of passengers the Australian airline could pick up in Hong Kong on its flights to Bangkok and Singapore.

Qantas sought a judicial review of the decision "to minimize any disruption or inconvenience to the traveling public," the airline's managing director, James Strong, said.

Two months of talks have failed to resolve the issue. "We have waited until other avenues of resolving the issue have been exhausted before taking this step," Mr. Strong said.

The state-owned airline, which is due to be

privatized this year, says its Singapore and Bangkok services are in compliance with air-travel agreements between the two governments.

In Sydney, meanwhile, there were signs of a compromise in legal efforts by the Hong Kong airline, Cathay Pacific Airways Ltd., to avoid restrictions on its operations by the Australian government.

Government lawyers said in federal court that Canberra would renew the airline's permit to operate until the end of October, a Cathay spokesman said. The government had moved to effectively suspend Cathay's service after June 30, and it has until Tuesday to decide whether to impose conditions on the renewal.

(Bloomberg, AFP)

Manila Gives Plant Bidder New Chance

Bloomberg Business News

MANILA — National Power Corp. said Thursday that Consolidated Electric Power Co. would be allowed to submit another bid for a power-plant project in the Philippines after the disqualification of its winning \$1.54 billion bid.

The state-owned power company said Wednesday that Consolidated Electric, a unit of Hopewell Holdings Ltd., had been disqualified because the company planned to use parts developed by Westinghouse Electric Corp. — a company that is blacklisted in the Philippines because it allegedly made illegal payments in the 1980s to former President Ferdinand Marcos.

Consolidated Electric denied it had planned to use any Westinghouse technology. National Power Corp. said it had decided to call for new bids by July 25 from all companies involved.

The plant, scheduled to begin generating power for the main island of Luzon by 2001, is the biggest project being offered under a so-called build-operate-transfer program, which allows investors to build a plant, run it and earn a profit before ownership reverts to the government.

Hopewell, which builds roads, power plants and railways throughout Asia, has won five contracts to build power plants in the Philippines under that program.

National Power said the ban on Westinghouse technology, equipment and parts would continue to apply.

Competition Gets Under Way for Costly Hong Kong Site

Bloomberg Business News

HONG KONG — The competition to develop the most expensive new building project in Hong Kong will take shape Friday, the deadline for submitting letters of interest in the Central Station project.

The railway site, in the heart of the city's financial district, will be the terminus for a shuttle train to Hong Kong's new airport, which is planned to open in 1997. The colony's top developers will compete for the chance to build three office towers, two luxury hotels and a shopping complex.

Many developers are expected to officially express interest in the project to the landowner, the Hong Kong government's Mass Transit Railway Corp., but the number will thin as companies form consortia to make final bids, analysts said.

"Everybody wants to have some sort of consortium to spread the risk," said Janice Wallace, a real estate analyst at Goldman, Sachs & Co. "There's no downside in expressing interest."

The station site juts into Victoria Harbor on reclaimed land, and the

new buildings will command an ocean view that should make them the territory's most expensive. The finished project will add 4 million square feet (about 400,000 square meters) of office, hotel and retail space.

The land premium, which is the fee paid to the government for the right to develop the site, could be as high as 5,000 Hong Kong dollars (\$646) a square foot, or a total of 20 billion dollars in development rights alone, said Trevor Cheung, an analyst at Credit Lyonnais.

Developers got a sign Thursday that Hong Kong's real-estate market may be cooling. Government figures showed that sales agreements for buildings and apartments in May fell 10 percent from April and 9.3 percent from May 1994.

That, however, has not yet persuaded many companies to stay away from the Central Station project. Hong Kong Land Holdings Ltd., Henderson Land Development Co. and Sun Hung Kai Properties Ltd. said they would be expressing interest in the site.

ADB to Help Private Industry Foreign Chips' Share Slips in Japan

Bloomberg Business News

MANILA — The Asian Development Bank said Thursday that it would spend \$900 million over the next three years as part of a strategy to promote the development of private enterprise.

The new direct funding would nearly double the amount the Manila-based aid bank lent to private companies in 1991-94.

The ADB recently approved a strategy for making private industry the engine for development in Asia. The strategy includes new co-financing and loan-guarantee arrangements to expand developing countries' access to credit.

"ADB assistance for the private sector now takes into closer account differing circumstances and needs in developing member countries," the organization said.

The ADB seeks to be a catalyst in attracting private capital to developing regions of Asia, particularly for expensive infrastructure projects.

Foreign Chips' Share Slips in Japan

The Associated Press

TOKYO — The share of Japan's semiconductor market held by foreign companies slipped in the first quarter of 1995, after three consecutive quarters of increases, the U.S. and Japanese governments said Thursday.

Foreign chips accounted for 22.8 percent of Japan's market in the first quarter, down from a record 23.7 percent in the previous quarter, according to U.S. figures. Japan, which counts some chips that Washington does not, put the first-quarter market share at 23.6 percent, down from 24.7 percent.

In contrast to the rancor associated with past declines, America's semiconductor industry responded with calm, stressing improved cooperation.

"One quarter does not necessarily constitute a trend," said Andrew Proccinini, president of the U.S. Semiconductor Industry Association.

The decline "should not overshadow the constructive partnership between U.S. semiconductor companies and Japanese customers," he said.

But Mickey Kantor, the U.S. trade representative, said he was disappointed that the foreign market share had been "unable to maintain an upward momentum."

In 1991, Washington and Tokyo agreed that foreign companies should have 20 percent of Japan's semiconductor market by the end of 1992. After that, the two sides said there should be a "gradual and steady increase" in foreign market share.

The Semiconductor Association noted that despite the first-quarter decline, the foreign market share was more than two percentage points higher than a year earlier.

The trade group's low-key reaction was a sharp contrast to the recent state of tension between the two countries over semiconductor trade.

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Thursday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

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Thursday's 4 p.m. Close

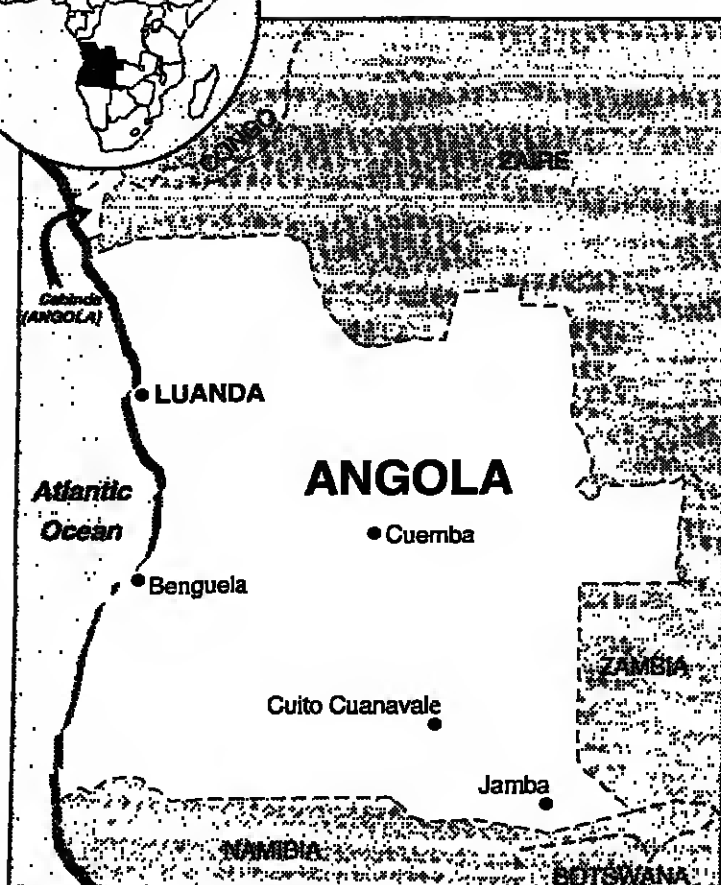
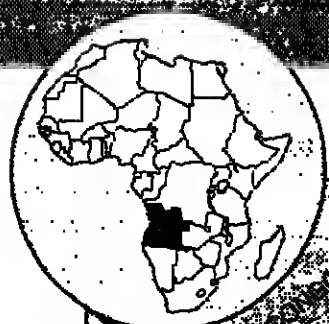
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12 Month	High	Low	Stock	Div	Yld	PE	Ratio	High	Low
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2020	100	100	100	100	100	100	100	100	100

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Angola



Basic Data

Population: 10.5 million (1994 estimate)
Land area: 1,246,700 square kilometers
Annual population growth: 2.6 percent
Languages: Portuguese (official), Umbundu, Kimbundu, Kikongo, Tchokwe, Ovambo
Religions: Roman Catholic (51 percent), Protestant (17 percent), non-Christian (32 percent)



Photo at left: Zambia's President, Frederick Chiluba (center), celebrates the concluding of peace agreements between Angolan President Jose Eduardo dos Santos (left) and UNITA leader Jonas Savimbi (right), after their meeting in Lusaka, Zambia on May 6, 1995. After a day-long delay that threw the peace process into doubt, Angola's two most powerful leaders pledged to work together to end 20 years of civil war. Top left: The civil war left many orphans, shown here in Benguela. Top right: An Angolan celebration.



Useful Addresses in Luanda

Office for Foreign Investment Rua Ceraueira Lukoki 25. 9th Floor P.O. Box 594 Tel.: (244) 393-387 Fax: (244) 393-381	Angolan Chamber of Commerce and Industry Largo do Kinaxini 14, 1st Floor, P.O. Box 92 Tel.: (244) 344-506 Telex: 3283 MINCEN AN
Ministry of Planning Largo Palacio do Povo P.O. Box 1205 Tel.: (244) 358-686 Fax: (244) 390-622	Commercial and Industrial Association of Angola Rua Ngola Kiluanga P.O. Box 3649 Tel.: (244) 380-041, Telex: 3150

THE COUNTRY GOES FROM PEACE TO PROSPERITY

The 1993 agreements reached in Lusaka and the resulting cease-fire pave the way for reconstruction — with international help.

Peace has apparently come to stay in a country torn by 20 years of civil war — and 15 years of struggle for independence before that. Angola, which has the resources to be an economic leader of Africa, is now looking to the rest of the world — international bodies, governments and private investors — for help in making prosperity grow out of peace.

"A new page is being turned in Angola's history," wrote President Jose Eduardo dos Santos recently in a U.S. newspaper.

The present optimism was born in the agreement reached in Lusaka in November 1993 between the government and the opposing UNITA (National Union for the Total Independence of Angola) on re-establishing a cease-fire and working toward a complete settlement. It proclaimed "the acceptance by all Angolans... to live in

the same country in a spirit of brotherhood and tolerance."

UN peacekeepers

The optimism was boosted by the decision of the UN Security Council in February 1995 to send a 7,000-member peacekeeping force to Angola. The cease-fire, in spite of some incidents, was holding, the council was told. Angolan Foreign Minister Venancio da Silva Moura said its success "leads us to believe that this time peace has come to stay."

The third boost came in May 1995 with the much-heralded summit meeting in Lusaka between President dos Santos and the UNITA leader Jonas Savimbi. The two sides are negotiating participation at all levels, particularly the national level. Both sides are committed to the process of national reconciliation.

Much remains to be done, however. President dos Santos wrote earlier: "Now we must repair and rebuild as we heal our wounds and our wounded. We need technical assistance to rebuild our infrastructure; we need international peacekeepers to enforce our cease-fire; we need foreign investment to restore our industrial base; we need equipment and expertise to clear away the deadly debris of war. We also need loans and credits to stimulate our economy, as well as debt relief and restructuring."

Sustaining life

The most immediate problem is the continued need for humanitarian aid. A report last December of a USAID/State mission to Angola noted the central importance of the U.S. government's humanitarian commitments in Angola. "At a level of almost \$100 million a year, the U.S. government provides the anchor that sustains human life and prevents Angola's slide into utter catastrophe," the report said.

One urgent need is the removal of unexploded land mines left underfoot in many parts of the country — perhaps as many as 10 million — together with other dangerous remains of the war. A second area in which international assistance is needed is the demobilization and reintegration requirement of ex-combatants. This is obviously a sensitive area in a country where political tensions remain and unemployment is high.

In preparing for more sustainable and long-term development, the United States, along with the World Bank and the United Nations Development Program, proposes to meet the serious shortage of well-trained economists to design and implement stabilization and adjustment programs. An economic support program costing \$12 million to \$15 million over the next five years is proposed.

The USAID/State mission report notes that the government had initiated programs to stabilize the economy, including the naming of a market-oriented reform team in early 1994. It adds: "Although hard economic decisions

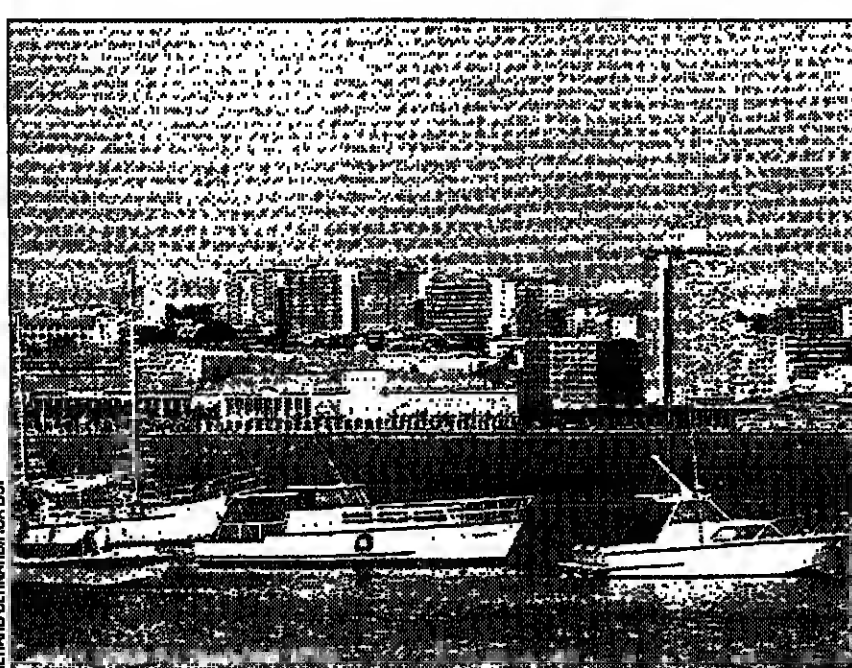
will be required, Angola does have a resource base that provides hope. Exports in 1994 will be in the order of \$3.0 billion to \$3.5 billion, of which 90 percent or more derives from petroleum. A peace agreement should result in a major increase in diamond exports... The Angolan highlands offer some of the greatest agricultural production potential in Africa."

As far as the private sector goes, Rosh Taylor, executive director of the U.S.-Angola Chamber of Commerce, says, "It is time for investors to look at Angola. The peace prospects are more and more certain, and Angola could be one of the most prosperous nations in Africa."

Mr. Taylor's predecessor as executive director, Nathan Holt, said during a farewell visit to Luanda, "Nobody underestimates the difficulty of doing business in Angola, but Angola also offers a number of exciting opportunities. We want U.S. firms to take the lead in rebuilding this nation."

During a recent visit to Washington, the Angolan minister of information, Pedro Hendrik Vaal Neto, explained how his government had come to adopt important new economic policies. "It concluded," he said, "that bringing stability and progress to its people entailed not only peace, but movement away from strict ideology and centralized control of the economy. It also meant providing the greater political freedoms that characterize democratic institutions in other parts of the world."

The minister summed the position up in these words: "Angola intends to emerge from this experience as a country firm in its desire to implant peace and stability, conditions that will permit it to join with others on the African continent in productive relations. Angola will be open to the international cooperation necessary for its economic reconstruction, and open to investment and support for its financial institutions. Angola wishes to take its place in the concert of nations as a country that seeks solidarity, fraternity and equality in its relations with other peoples."



Peaceful waters mirror peaceful times in Luanda, the capital of Angola.

'A DEMOCRATIC STATE BASED ON THE RULE OF LAW'

International pressures led to changes introduced in the Angola constitution and to multiparty elections, as well as to civil rights.

The moves toward political change in Angola had their roots in world developments in the late 1980s, notably the collapse of communist governments in Eastern Europe and the turning away from apartheid in South Africa. Relations with the Soviet Union became more distant, and funding decreased. Both Cuban and South African troops were withdrawn from southern Angola in 1988, and pressure grew to find points of agreement with UNITA (the National Union for the Total Independence of Angola).

In June 1990, the Central Committee of the ruling MPLA (the Popular Movement for the Liberation of Angola) made a historic move in deciding to renounce Marxism-Leninism in favor of democratic socialism and a mixed economy. This was confirmed by the third party congress in December 1990. Legislation followed in 1991 defining Angola as "a democratic state based on the rule of law" and stating that the economy would be "based on the coexistence of diverse forms of property." Laws stipulated that the state would protect foreign investment and foreign property.

The MPLA also passed legislation

introducing a multiparty system and guaranteeing freedom of expression, assembly, demonstration and association. Freedom of the press and the right to strike were also provided for. The party opened up its membership and expanded the Central Committee to 192 members, including some former MPLA leaders who had left the party during the difficult years after independence.

Numerous small parties emerged as a result, and Angola's first multiparty parliamentary elections were held September 29 and 30, 1992. There were inevitably some problems, but about 91 percent of the country's 4.82 million registered voters cast ballots to elect 220 representatives to a four-year term in parliament (with 17 parties and one coalition group competing) and to choose a president for a five-year term of office (with 11 candidates competing).

Results rejected
 President Jose Eduardo dos Santos won 49.57 percent of the presidential votes and Jonas Savimbi had 40.07 percent. In the parliamentary elections, the MPLA won 53.74 percent of the

votes and 129 seats, and UNITA won 70 seats with 34.10 percent of the votes.

The United Nations and other international observers agreed that the elections were "generally free and fair." UNITA, however, claimed that there had been widespread fraud, rejected the results and restarted the war. Bitter fighting was only ended by the Lusaka peace talks that began in November 1993. A protocol was eventually agreed to the 1991 peace agreement reached at Bicesse, Portugal.

On the matter of press freedom, the minister of information, Pedro Hendrik Vaal Neto, recently pointed out that there are now 40 newspapers, 24 magazines, 18 bulletins and four private radio stations registered in the country. There are also more than

1,000 satellite antennas in the country receiving international television broadcasts, including CNN. "Views and opinions on the widest range of issues of local and national interest receive coverage," the minister said.

"We believe," he added, "that responsible journalism is essential to the health of a democratic society. The government is aware of the deficiencies in the professional education and training of many Angolan journalists and is actively pursuing measures to rectify the situation. A journalism center is being created that will offer courses, conduct seminars, hold conferences and sponsor other activities. Additionally, more than 400 journalism students currently attend courses in Angola, Portugal, France, Brazil and the United States."

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WRITER: Ken Mackenzie, a freelance writer specializing in African affairs.

PRODUCTION DIRECTOR: Bill Mahler.

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SPONSORED SECTION

Angola

REMOVING THE MINES THAT MAIM

One legacy of civil war — millions of land mines — still poses a threat to Angolan citizens.

The years of war have left between 10 million and 20 million land mines waiting to explode in many parts of Angola. This is one of the most immediate problems facing the country: the average number of casualties from land mine explosions is 150-200 a week, adding to the existing 70,000 amputees. Most of the amputees are without artificial limbs or proper crutches.

The United Nations Angola Humanitarian Coordination Unit has established a special Central Mine Action Office, under which three non-governmental organizations — the Halo Trust of Britain, the Mines Advisory Group, also of Britain, and the Norwegian

People's Aid — work together with UN bodies.

Activities include mine clearance, demining training, ordnance disposal and mine awareness campaigns.

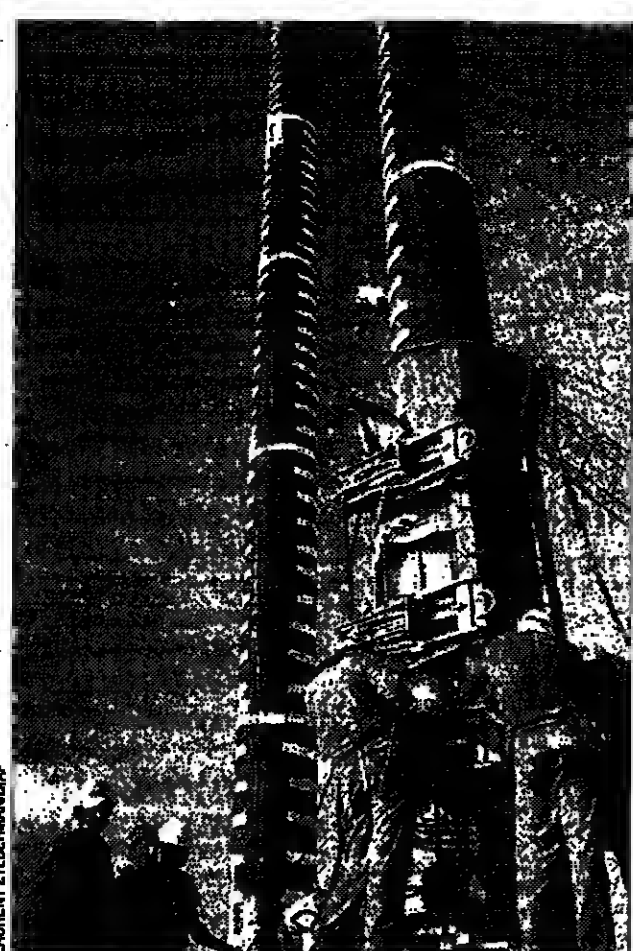
According to a report by USAID, this is an area in which overseas aid can be especially effective. "It is possible for donors to have high impact today in beginning to alleviate the profound constraint that mines impose on virtually all facets of life in Angola: freedom of movement, trade, agricultural production, the delivery of humanitarian relief and the deployment of UN observers and peacekeepers," said the report.

It added: "It is our belief that prior

progress of this sort will be critical in answering expansive future demands that otherwise could easily become overwhelming."

Colin Mitchell, chairman of the Halo Trust, a humanitarian charity that specializes in mine clearance and has operated in Afghanistan, Mozambique, the Trans-Caucasus and elsewhere, was far from despairing. A large amount of preliminary work has been done by his organization in Cuito, Huambo and elsewhere in the Benguela corridor, mostly in reconnaissance and surveys.

"It is an enormous task," he says. "Chronically difficult — but not insuperable."



Left: The Angolan oil industry at work, a tower of strength in the nation's economy. Right: the installation of an offshore platform.

THE OIL INDUSTRY, A SUCCESS STORY, CONTINUES TO ATTRACT INVESTMENT

The relationship between the international oil companies and the Angolan government has benefited both.

The oil industry is the success story of the Angolan economy, and is a notable example of how foreign investment can be of huge benefit both to the country and to the investors.

Angola is the second-largest producer of oil in sub-Saharan Africa (after Nigeria). Production is running at more than 580,000 barrels per day, and crude oil accounts for 90 percent of Angola's total exports and more than 80 percent of government revenues.

Foreign companies have been involved in the oil business since production began in 1955, and in 1978 a statute set out a national oil policy permitting foreign oil companies to operate either under a production-sharing agreement or on a joint-venture basis with the national oil company, Sonangol. About 15 foreign companies are involved, including Chevron, Petrofina, Texaco, Elf Aquitaine, Esso, Conoco, Agip and Petrobras. Total foreign investment in exploration and production from 1980 to 1986 was \$2.7 billion; from 1987 to 1990, it was \$2 billion; and from 1993 to 1997, it is expected to be \$4 billion.

Steady rise
The bulk of Angola's oil is found off the coast of Cabinda and Zaire Provinces in the extreme northwest. Partly because of this geographical fact, the oil industry was able to escape the disruption that the long civil war brought to most sections of the An-

golan economy and to continue expansion.

Onshore production, however, for which Petrofina is the main operator, was severely affected in 1993 when UNITA (National Union for the Total Independence of Angola) temporarily occupied Soyo, at the mouth of the Congo river. This also resulted in a short-term loss of some offshore production by Texaco and Agip. The oil companies have also had to contend with the activities of armed factions of FLEC, who seek independence for Cabinda, but there has been no serious interruption of offshore production.

New fields
Production rose steadily from 1982, when it was 130,000 barrels per day, to 1992, when it exceeded 540,000 barrels per day. The next year, 1993, saw a slight drop to 510,000 barrels per day, a figure that rose to 524,000 in 1994 and is now running at more than 580,000. Angola's output for the year 2000 will be 700,000 barrels, according to a well-informed estimate.

Chevron recently reported that it had discovered four new offshore fields with 300 million barrels of recoverable oil. Shell announced at the end of 1994 that it had struck oil in a concession it shares with Texaco, Elf, Esso and Petrofina.

In December, total recoverable reserves were estimated at 3.96 billion barrels, enough to last for 16 to 17

years. But new discoveries have added new reserves faster than existing reserves have been depleted.

Low costs
The Angolan oil industry has proved attractive to overseas companies because of favorable geology, low operating costs and the constructive business approach of the Angolan government.

Associations of foreign companies and the state-owned Sonangol normally take one of two forms. The first is joint ventures, in which Sonangol and its partners divide investment costs and petroleum production in accordance with their percentage shares. The second is production-sharing agreements, by which the foreign companies finance the full cost of exploration and development, recoup their investments with "cost oil" and then share "profit oil" with Sonangol on a sliding scale linked to production.

A spokesman for Texaco expressed optimism about the future, seeing increased opportunities coming with the peace agreement. "The fact that we have been able to operate for 25 years and are committed to remaining demonstrates the opportunities that are available. The finding and production of oil has been of great value to the country and to Texaco." He cited as a major factor of success "a good working relationship with the government of Angola."



The Estimave shipyard in Lobito. The Angolan government, with some outside financing, has invested in rebuilding the Angolan fleet.

RESOURCES WAITING TO BE DEVELOPED

In addition to oil, Angola has resources that could make it one of the richest countries in Africa.

Until 1975, Angola was the fourth-largest producer of diamonds in the world. It has since fallen to a probable seventh place (statistics are unreliable), but diamonds remain a substantial source of revenue for the country. In the first 10 months of 1992, for instance, before the resumption of the civil war, \$750 million worth of diamonds left the country, according to estimates.

In addition to diamonds, Angola has substantial deposits (most not fully assessed) of gold, iron ore, phosphates, manganese, copper, lead, zinc, wolfram, vanadium, titanium, chromium, beryl, kaolin, quartz, gypsum, marble and black granite.

Since 1990, the government has developed a policy framework to encourage investment in mining. It includes ending the state monopoly on geological studies and mineral prospecting, the awarding of concessions to foreign and national private companies for prospecting and production, the creation of simple regulatory mechanisms and the provision of tax incentives for investors.

Agriculture
Before independence, Angola was self-sufficient in most food crops and a substantial exporter of coffee and sisal. Since then, the damage has been huge, caused by the hasty departure of the Portuguese, followed by years of war. Only about 3 percent of the country's arable land is being cultivated. In February 1994, the UN estimated that 3.3 million Angolans, almost one-third of the population, required food aid.

Diversity of climate creates opportunities for a wide range of produce. Subsistence crops include cassava, yams, maize, millet and sorghum. Other

crops include beans, bananas, rice, sugar cane, palm oil, cotton, coffee, sisal, sunflower, citrus and other fruit and numerous vegetables. There are also livestock and forestry resources.

The government's new agricultural strategy includes removing price controls, except for some basic food crops, and setting up a rural credit program to help farmers.

Fisheries
Fish products accounted for 5.7 percent of Angola's exports in 1973. The annual catch from the rich waters off its coast was 599,109 tons in 1972. But there was a decline after 1975, as elsewhere in the Angolan economy. In 1992, licensed foreign fleets produced only 35,313 tons. A fishing agreement with the European Union helped to produce a partial recovery (122,000 tons in 1993).

Fish prices were deregulated in December 1990 to help the industry achieve financial viability, and the government, with World Bank assistance, has set up an office, the Angolan Support Fund for Fisheries Development, to support the development of the industry.

Electricity
Angola has enormous hydroelectric potential because of the powerful rivers that cross the country. Dams built by the Portuguese and South Africans before 1975 in the north, central and southern parts of the country mean that the country's generating capacity exceeds demand. War damage to power plants and transmission lines requires heavy investment. The Capanda dam being built on the Kwanza river in Malange province (which was begun in 1985 and will have cost \$2

billion dollars by the time it is finished late in the 1990s) will double Angola's generating capacity. The government has plans to export electricity to Namibia and Zaire.

Manufacturing
In 1975, fleeing Portuguese settlers destroyed much of Angola's manufacturing capacity — about 4,000 enterprises producing an annual \$650 million worth of goods.

The war hindered efforts to repair the industry. With an infusion of capital, technology and training, light industry — in particular, food processing — could now revive quickly, according to experts. Production includes beverages, textiles and soap.

Heavy industry accounts for about 15 percent of manufacturing output. It includes a steel facility, a cement plant, the Luanda petroleum refinery, plants for the assembly of vehicles and television sets, and for the manufacture of steel tubes and tires. Economic reforms that reduce state subsidies are forcing restructuring in this sector.

Transportation
Roads, railways and ports were severely damaged by the war. More than 60 percent of paved roads need repair, and scores of bridges have been destroyed. The government estimates that it will take 10 to 15 years to restore the road system to its pre-independence level. Only 20 percent of the four railway lines laid by the Portuguese remain in operation. The railways are running at 3 percent of their pre-independence level.

Since 1991, the World Bank has approved credits of almost \$80 million for rehabilitation. Large further investments are needed.

GOVERNMENT RENEWS COMMITMENT TO ECONOMIC REFORM MEASURES

Peace allows the resumption of negotiations with the International Monetary Fund and the World Bank.

In a New Year's speech at the beginning of 1995, President Jose Eduardo dos Santos spoke of some of the difficulties that his Economic and Social Program had met. It was "an incontestable fact," he said, that "none of the announced targets was attained." The country had reached "a very serious state of paralysis" with a "shocking contrast" between the "sub-human conditions" of the majority of the population and those with incomes in foreign currency.

The president promised "discipline, work and order" in the public administration in 1995. Three weeks later, he appointed Augusto Tomas, the governor of Cabinda, as minister of finance, charged with getting the reform program back on course.

One of the key aims is to reduce inflation, which was running at over 800 percent per year toward the end of 1994, to 100 percent by December 1995.

Much importance is attached to negotiations with the International Monetary Fund, following a visit to Luanda by an IMF delegation in December 1994. The delegation made a number of recommendations, including:

- A realistic investment program, giving priority to small-scale projects, focused on the rehabilitation of basic infrastructure and services, such as electricity, water and sanitation.

- A "social safety net" to protect the most vulnerable sections of the population.

- A "conservative" assessment of the assistance likely to be provided by the international community — such as debt rescheduling, humanitarian assistance and special programs relating to such things as demining, demobilization of troops and the return of displaced people.

- Reform of salary scale in the civil service, in order to retain qualified personnel.

- An improvement in economic sta-

tics and computerization of taxation and other government operations.

Investment promotion
The government's plans to reform the economy date back to 1985, when the ruling MPLA (Popular Movement for the Liberation of Angola) decided to turn its back on Marxism-Leninism. In 1987, it announced a sweeping economic restructuring plan (Saneamento Económico e Financeiro, or SEF). This included reducing the budget deficit, restructuring the public sector, rescheduling external debt, liberalization of controlled prices and exchange rate adjustment. In the same year, Angola applied to join the IMF and the World Bank.

In 1989, the government set up special offices to promote and coordinate foreign investment and to reform and partly privatize the state sector. Then in 1990, an action program was announced aimed at a definite shift from centralized planning to an economy driven by market forces.

This included cutting government expenditure, lifting most price controls, and the introduction of the new kwanza, which was the start of phased currency devaluations.

Banking liberalization
In November 1990, a meeting in Luanda of 700 members of the Angolan business community heard Mr. dos Santos promise assistance to the indigenous private sector. A result of the meeting was the liberalization of banking regulations, aimed at spurring investment and addressing the private sector's need for foreign exchange to buy production inputs.

The renewal of the civil war in 1992 put a brake on economic reform, forcing the government to increase military expenditure and return to controls of prices and exchange rates in order to prevent a drastic fall in urban living standards.

In 1994, however, the government renewed its commitment to reform with its Economic and Social Program, and negotiations with the IMF and the World Bank were renewed.

Peace, although promising prosperity in the long term, involves some difficult immediate expenditure. The government has drafted a \$1.2 billion program involving the rehabilitation of the infrastructure, demining, the demobilization of troops and their reintegration into civilian society, and the return of displaced people.

The government and the UN Development Program plan to organize a donors' conference in Geneva in June to mobilize international support for the rehabilitation program.

UN BACKS PEACE MOVES WITH A FORCE OF 7,000

Secretary-General Boutros-Boutros Ghali calls for 'concrete action' by Angolan parties to back up the 1993 Lusaka agreements.

The United Nations Security Council, welcoming the Lusaka agreements as "a major step towards the establishment of peace and stability in Angola," decided unanimously in February 1995 to send a 7,000-member peacekeeping force to Angola.

The size of the force, UNAVEM III, which is now being deployed, and its cost, about \$380 million a year, indicate the importance the Security Council attaches to the operation. It is bigger than UNAVEM I, which verified the withdrawal of Cuban forces from Angola in 1989-91, and UNARM II, which was set up to observe the implementation of the peace accords reached at Bicesse, Portugal in 1991. (These broke down in 1992, after the elections.)

Some observers interpret the mandate of UNAVEM III as being to control, rather than just observe, crucial

aspects of the peace agreement, such as the disarmament and demobilization of UNITA troops.

The Security Council resolution welcomed the secretary-general's intention "to include human rights specialists in the political component of UNAVEM III to observe the implementation of the provisions relating to national reconciliation."

Secretary-General Boutros-Boutros Ghali, in his letter to the Security Council proposing UNAVEM III, emphasized that the opportunities created by the Lusaka agreements should not be lost and added, "The efforts of the United Nations must be matched by an unambiguous political will and concrete action by the Angolan parties."

The Security Council resolution urged the early meeting (which has taken place since then) of President Jose Eduardo dos Santos and the UNI-

TA (National Union for the Total Independence of Angola) leader Jonas Savimbi.

Mr. dos Santos, in urging the formation of such a large peacekeeping force, wrote: "We want our former enemies to know from these credible sources that we are sincere in word as well as deed, and I am sure they feel the same way. Peacekeepers will help instill confidence among past foes."

Key to success

The Angolan ambassador to the United States, Jose Patrio, recently wrote to a U.S. congressional committee: "I want to assure you that my government is committed to making the process work. We are currently providing over \$65 million in support of the UNAVEM III process (e.g., aircraft, helicopters, tax exemptions, office facilities, port fees waivers and

low-cost fuel) and will provide additional assistance. . . . The government is most eager to facilitate the deployment of UNAVEM peacekeepers. I cannot overstate this point; it is the key to UNAVEM's success. It is equally important, especially on the part of UNITA, to permit unfettered access for UNAVEM to all areas of the country."

The United Nations operation does not have a definite deadline, but it has a clause that "declares its intention to conclude the mission of UNAVEM III when the objectives of the Lusaka protocol have been achieved . . . with the expectation of its completion by February 1997."

The Lusaka accords foresee the completion of the peace process by May 1996, and the hope is that a new democratic government will be established by February 1997.

SPORTS

Rockets Sweep Away Magic for 2d NBA Title

By Richard Justice
Washington Post Service

HOUSTON — The Houston Rockets have made the Orlando Magic disappear once and for all. And after a season in which they have overcome everything from injuries to a midseason shake-up to one of the toughest playoff schedules ever, the end was almost anticlimactic.

Hakeem Olajuwon scored 35 points, Mario Elie got 22 and Robert Horry 21 as the Rockets broke open a close game in the final period and completed a four-game sweep of the title series with an almost routine 113-101 victory Wednesday night.

A team that never felt it got the respect it deserved when it won the National Basketball Association championship a year ago now has a title that will be long remembered. No team has ever won a championship after floundering with disaster so many times. No champion has ever won so many playoff games on another team's court. No team has ever taken so many disparate parts and put them together so successfully.

"I don't have a word to describe how I feel about this team," said the Rockets' coach, Rudy Tomjanovich. "Their charac-

ter. Their guts. No one in the history of the league has done what this team has done."

The Magic stayed in contention by making a title-series record 14 3-pointers. They got 25 points each from center Shaquille O'Neal and guard Penny Hardaway, but O'Neal also committed six turnovers, while Dennis Scott and Nick Anderson continued to misfire, going 6 for 16.

Houston got double-figure scoring from five players. Clyde Drexler had 15 points, though he made only 4 of 13 shots; he made up for it with nine rebounds and eight assists. Olajuwon had 15 rebounds and six assists to go with his 35 points.

The incomparable Olajuwon was named the final's most valuable player for a second straight time. But the Rockets probably couldn't have won without Drexler, acquired from the Portland Trail Blazers in February in a trade that sent forward Otis Thorpe to Portland. Drexler gave the Rockets another dimension on offense and they helped end his quest for a title.

Drexler and Olajuwon were teammates when the University of Houston lost the 1983 NCAA tournament championship game to North Carolina State at the last second, but this time the two old friends celebrated a different kind of ending.

"I'm just so happy for Clyde," Olajuwon said. "I'm happy to be part of it. We didn't do it together in college. Now we're back together. It's a special story. It'll be something that will be a chapter in my book."

Drexler said: "I'm just happy to be playing with the best player on the planet. This is wonderful. We tried to win quietly. We wanted to be like the teams that didn't trash talk and didn't do anything to bring negative attention to themselves. We put on our hard hats and went to work."

The Rockets are the sixth team in NBA history to sweep the final. But that is only part of their story. Their 47 regular-season victories were the fewest for a champion since Washington won with 44 in 1978; they won after falling behind Utah by 2-1 in a best-of-five first-round series, and they won after falling behind Phoenix, 3-1, in a best-of-seven conference semifinal.

They are the first team to defeat four 50-game winners in the playoffs and they played five games in which they faced elimination. Since trailing Phoenix by 3-1, they won 11 of 13 games, including a record seven in a row on the road.

The Rockets trailed by six points in the first half of Game 4 and, despite three

quick fouls on O'Neal at the start of the second half, were in front by only 77-76 when the fourth quarter began. They finally broke it open when the Magic turned the ball over five times in a 2½-minute stretch. Elie answered those mistakes with two 3-pointers and a fast break basket to open up an 88-80 lead with 7:32 to go in the season.

"We had a chance to push the lead out, but we took some bad shots," Hardaway said. "This was one of our best games. We had a chance to win it, but let it go. After the game, we looked over there at the Rockets celebrating. We'll have other chances. Watching them is the best motivation you can have."

Orlando moved within 90-87, but it was all Houston after that. Horry sank a 3-pointer with 5:45 left. O'Neal missed again and Sam Cassell's foul shot with 5:10 left made it 95-87. Anthony Bowie missed a 3-pointer and Olajuwon's jumper with 4:36 left took it to 97-87.

"I don't know if a player has ever played as great as Hakeem through the playoffs," Tomjanovich said. "I don't know if a team has made a major trade during the season and kept its special team," he added. "I'm the proudest guy in the world."



Olajuwon (left) and Drexler: "A special story."

McGwire's Backhanded Compliment

The Associated Press

As if Mark McGwire needs help, he credited Roberto Hernandez with supplying the power for another long home run.

The three-run drive down the left-field line capped a four-run rally in the eighth inning that gave Oakland an 8-5 victory over the visiting Chicago White Sox on Wednesday night.

Hernandez failed to get a save in a second straight game after relieving Jose DeLeon.

AL ROUNDUP

with two runners on and Chicago leading, 4-3. After Stan Javier's RBI groundout and a walk, McGwire hit his 18th homer, tops in the majors.

"He throws awfully, awfully hard, so he basically supplied all the power," McGwire said. "Lyle Montan's first major league homer, a two-run pinch-hit shot with two outs in the top of the eighth, had given the White Sox a 5-4 edge."

Indians 5, Orioles 2: Albert Belle homered, and Eddie Murray moved within 12 hits of 3,000 as Cleveland swept three games from visiting Baltimore.

Yankees 12, Tigers 3: Three New York pitchers held host Detroit to four hits, while Paul O'Neill, Mike Stanley and Bernie Williams homered. Williams got four RBIs as the Yankees won consecutive games for the first time this month.

Blue Jays 5, Red Sox 3: Toronto, playing at home, scored four times in the first to beat Tim Lincecum, who had four victories and a 0.54 ERA since being called up from the minors May 27. Wakefield gave up just one hard-hit ball in the first, but that was a two-run double by John Olerud. Two of the four runs were unearned because of Luis Alicea's error at second base.

Royals 2, Mariners 1: Kevin Appier became the major league's first nine-game winner and struck out a season-high 11 in 6½ innings in Seattle as Kansas City won its fifth straight.

Jon Nimmally homered in the second inning off Tim Lincecum, and the Royals made it 2-0 in the fourth on Greg Gagne's RBI single.

Twins 8, Angels 5: Minnesota halted a five-game losing streak and won for only the fifth time in 24 games as Pat Mearns (4-1) led to the score and Scott Lewis won it with a three-run shot later in the seventh inning at California.

Jerald Clark drove in two runs with a triple and his third homer. Kirby Puckett and Scott Stahovik had RBI doubles in the first inning for the Twins.

Brewers 4, Rangers 2: Matt Mieske broke a fifth-inning tie with his first homer this year and Milwaukee beat visiting Texas.

Mieske is 3-for-6 with three runs and three RBIs since replacing right fielder David Hulse, who fouled a ball off his right leg Tuesday night.

Nomo, in Hall of Fame Start, Fans 16 in Dodger Victory

The Associated Press

Hideo Nomo's first major league victory, a few weeks ago, led to this headline in a Japanese newspaper: "On His Way to the All-Star Game."

If every start was against the Pittsburgh Pirates, he might be on his way to the Hall of Fame.

"What an exhibition of pitching!" said the Dodgers' manager, Tommy Lasorda, after Nomo struck out a major league season-high 16 while Los Angeles was winning, 8-5, in Pittsburgh on Wednesday night.

"He was amazing! He was awesome! You saw the real Nomo," Nomo's linescore against the Pirates in two starts: 30 strikeouts in 15 innings, 8 hits, 3 runs and a .154 cumulative batting average.

On Wednesday night, he had seven strikeouts before the Pirates got their first hit, Mark Parent's ground-ball single with two out in the fifth. Nomo was working on a two-hit shutout until, visibly tired after throwing more than 100 pitches, he allowed three runs in the eighth.

On Wednesday night, he had seven strikeouts before the Pirates got their first hit, Mark Parent's ground-ball single with two out in the fifth. Nomo was working on a two-hit shutout until, visibly tired after throwing more than 100 pitches, he allowed three runs in the eighth.

That, after back-to-back four-hit games Sunday and Tuesday, gave the injury-inflicted, pressed into action because of injuries to Matt Williams and Steve Scarsone, a major league record 14 hits in three straight games.

The 16 strikeouts set a Dodgers rookie record, and were two short of the major league record of 18, set by Montreal's Bill Gullickson in 1980.

Nomo struck out Jay Bell, Al Martin and rookie Mark John-

son three times apiece — Bell is 0 for 7 with six strikeouts against Nomo — while striking out the side four times.

"But the significance of this game isn't the strikeouts, it's getting them out," said Nomo, who allowed six hits over eight innings. "I don't care about strikeouts."

Mike Piazza's two homers helped the Dodgers to a 5-0 lead and their ninth victory in 13 games.

Padres 3, Cardinals 0: Joey Hamilton won with a two-hitter in St. Louis, and Tony Gwynn hit a two-run homer in the ninth.

Astros 9, Phillies 5: Craig Biggio had four hits and tied a team record by scoring four

runs as Houston won its sixth straight on the road. Brian Hunter, who led the Pacific Coast League in batting (.372) and stolen bases (49) last season, hit a tie-breaking, two-run triple in the eighth inning. He was promoted from Triple-A Tucson on Tuesday.

Braves 7, Expos 3: Mike Kelly, who began the game in a 1-for-19 slump, drove in two runs and scored twice, while Jeff Blaser had three hits and two RBIs as Atlanta ended a three-game losing streak.

Marlins 4, Mets 0: Chris Hammond, the only left-handed starter ever to win for Florida, pitched the Marlins' first complete game of the season as he struck out eight — all swinging — in New York. Hammond, also leading his team in hitting with a .357 average, went 1 for 2, drew a walk and scored twice.

Rockies 10, Reds 4: Vinny Castilla got four hits, two of them homers, and Larry Walker hit his NL-leading 15th as Colorado beat visiting Cincinnati.

The previous record, 13 hits in three games, was set by Joe Cronin of Washington in 1933 and matched by Walt Droppo of Detroit in 1953 and Tim Salmon of California in 1994. Benjamin's six hits tied a team mark, held by seven players and most recently used by Jesus Alonzo in 1964.

The Cubs apparently had the game won in the bottom of the 12th. But Brian McKee's liner to right-center got stuck in the ivy on Wrigley Field's wall and became a ground-rule double, preventing Todd Pratt from scoring from first.

Pratt was sent back to third, then was tagged out at the plate when he got a late jump after a pitch got by catcher Kim Manwaring. Manwaring recovered the ball and flipped to Steve Mintz, who made the tag.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE	East	West
Boston	27	17
Detroit	20	16
Baltimore	19	15
New York	18	14
Toronto	15	11
Cleveland	14	10
Kansas City	13	9
Minnesota	12	8
Chicago	11	7
Los Angeles	10	6
San Diego	9	5
Seattle	8	4
San Francisco	7	3
Philadelphia	6	2
Pittsburgh	5	1

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Chicago	11	7
Los Angeles	10	6
San Diego	9	5
Seattle	8	4
San Francisco	7	3
Philadelphia	6	2
Pittsburgh	5	1

NATIONAL LEAGUE	East	West
Atlanta	27	17
St. Louis	20	16
San Francisco	19	15
Los Angeles	18	14
San Diego	17	13
Philadelphia	16	12
Chicago	15	11
Colorado	14	10
Arizona	13	9
San Francisco	12	8
Los Angeles	11	7
San Diego	10	6
Philadelphia	9	5
Pittsburgh	8	4
San Francisco	7	3
Philadelphia	6	2
Pittsburgh	5	1

AMERICAN LEAGUE	East	West
Boston	27	17
Detroit	20	16
Baltimore	19	15
New York	18	14
Toronto	15	11
Cleveland	14	10
Kansas City	13	9
Minnesota	12	8
Chicago	11	7
Los Angeles	10	6
San Diego	9	5
Seattle	8	4
San Francisco	7	3
Philadelphia	6	2
Pittsburgh	5	1

NATIONAL LEAGUE	East	West
Atlanta	27	17
St. Louis	20	16
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SPORTS

FRIDAY, JUNE 16, 1995

PAGE 21

An Athlete Making a Difference: South Africa's Rugby Player WilliamsBy Ian Thomsen
International Herald Tribune

PAARL, South Africa — In America, they lionize Jackie Robinson as the man who broke the color line in baseball. In South Africa, that role was made for Chester Williams.

"The Waiting Is Over," read the billboards and magazine ads for the Rugby World Cup. It would have suggested that the tournament meant nothing more than the end of the country's isolation if not for the attendant image of the black man's face, the face of Williams. In just one appearance, scoring a national record four tries in the quarterfinal last weekend against Western Samoa, he has become the focus of this tournament, having been marketed (a term too sophisticated for Jackie

Robinson's time) as an embodiment of the new South Africa, which seeks to give everyone an equal chance.

In fact that goal is generations away from coming true, and Williams is just the beginning. If he looks like a soldier in Nelson Mandela's campaign of reconciliation and unity, then he also deserves the rewards, for Williams took a huge gamble along the way.

White South Africans claimed rugby as an exclusive birthright; while generation after generation of black men were forced to play and coach the game among themselves. Williams came from rugby stock in this rugby-mad city near Cape Town, but when he took up the game at 9 there was no hope for him or anyone like him playing for his country — and, thus, there was no hope for

his country ever hosting a global tournament like this one, now in its semifinals, with South Africa playing host to France on Saturday in Durban, and England meeting New Zealand on Sunday in Cape Town.

Williams was also a sprinter in the 100 and 200 meters, but that speed was always designed for rugby. His talent demanded responsibility. Williams decided to side with his club, Albion RFC, which had joined with the white South African Rugby Board ruled by Danie Craven, who today is seen as a creator of rugby's power in this country or else just another caretaker of apartheid, depending on who you ask. In hoping to improve against the finest competition, Williams alienated the subordinate South African Rugby Union, which was endorsing nonracial play. He was cut off from representing his high school.

"We couldn't blame him," says Joey Sitzer, sportmaster at Klein Netherburg High School. "He and his parents felt it was the right route to pick up the opportunities present in the white regime."

"It wasn't like he was outspoken or trying to make a political point," says Gerald Andrews, a local social worker and sports administrator who grew up playing rugby with one of Williams' elder brothers. "Everyone could see the gifts he had."

Julene Williams groans nonetheless at memories of the choice made between the political cause and her son's future. Her husband, Wilfred Williams — himself a versatile center, fullback and flanker — was influential in the decision, understanding that Chester's uncle, Avril, had played twice for his country against England in 1984, when South Africa was looking for

window-dressing. By choosing this route, Williams went from the national Craven Week tournament to playing for the Western Province under 20s and then for Western Province club itself in 1991.

By then Mandela had been released from prison. Someone was going to become the Jackie Robinson for South Africa.

At 24, Williams lives with his parents in a house built not long ago by his father, a contractor. Outside is parked a white Camry with the sponsor's script along both doors: "Chester Moves With Market Toyota." Inside the fine, modest living room is a large poster of Williams and a framed jersey, but it is hardly the testament to oneself expected of modern day stars. They live in a comfortable neighborhood in the "colored" part of town not so far from some uncomfortable neighborhoods.

So quick has been the white establishment to hoist Williams to shoulders that many have reacted with some incredulity — an unwillingness to be fooled by the same bunch running apartheid a few years ago. Can one player really make all the difference? From where he came, the answer is yes.

"We have achieved our goal," Sitzer says, pointing out that apartheid has been abolished, the vote has been shared and a unified educational system for all South Africans is being planned. "Three hundred years of rule that led to apartheid can't be turned overnight. He represents a certain sector of our country that was precluded from playing a certain sport. He also represents a type of talent that exists among our people."

SIDELINES**NBA Say Player Settlement Near**

HOUSTON (LAT) — The National Basketball Association's commissioner, David Stern, has reported "substantial progress" in the long-stalled talks with the players' union and suggested an agreement is close.

The league has called a meeting of its board of governors Tuesday in New York. "We wouldn't call the meeting," Stern said Wednesday night, "unless we thought that there would be a deal to close out."

The trial of major league baseball's club owners on unfair labor practice charges was postponed. The new date for the proceeding before an administrative law judge of the National Labor Relations Board is July 24, but all three parties hope the matter is settled by then. (NYT)

Teams Talent-Hunting in Europe

PHOENIX (AP) — The Phoenix Suns have signed 6-foot, 9-inch (2.06-meter) Italian forward-center Stefano Rusconi to a multiyear contract and apparently hope to do the same with Croatian-born swingman Arjan Komazec.

The Suns obtained draft rights to Rusconi, 27, in a 1990 trade with Cleveland. Since he didn't play in the NBA last season, the Suns were able to sign him despite a moratorium on signings and contract extensions put in place in October. Rusconi spent the last four seasons with Benetton Treviso in the Italian First Division.

Komazec, who led the Italian League's first division in scoring last season, can't be signed until NBA players and management reach a labor agreement. But he also has a multimillion-dollar offer on the table from the defending league champion, Buckle Bologna, and other NBA teams have expressed interest.

In Belgrade, Predrag Danilovic, a Yugoslav national team forward who has played the last two seasons for Bologna, said Thursday he was signing with the NBA's Miami Heat.

For the Record

Pat Riley, unable to lead the New York Knicks to the NBA title in four years as coach, resigned, effective July 1. (AP)

Paul Ince, the England midfielder playing for Manchester United, has agreed to financial terms with Italy's Internazionale and expects to sign a contract soon, his lawyer said. (Reuters)

Slobodan Milovic, 55, Yugoslavia's IOC member, died of cancer, the Tanjug news agency reported. (AP)

Mabel Christie, 65, the mother of Olympic champion Linford Christie, died in London. (Reuters)



Bernhard Langer got a lift when he sank a putt for birdie on his first hole of the day.

Price, Els and Watson Head The Pack Early in U.S. Open

The Associated Press

SOUTHAMPTON, New York — The playing conditions for the first round of the U.S. Open were near-ideal. For Nick Price and the rest of the star-studded field, that made for less than ideal golf.

Price led the big names through the early parts of Thursday's first round, but no one could get below 2-under par as he, defending champion Ernie Els, Tom Watson and John Daly began a romp through the bright sunshine.

All found a place on the early leaderboard in bright, sunny weather. Temperatures were mild with relatively gentle breezes although Els slid backward quickly, hitting the ball into the deep, deep rough.

The sandy soil of the historic Shinnecock Hills Golf Club quickly began to dry from the three inches of rain earlier in the week.

Fairways and greens were firm, and the putting surfaces remained receptive to shots from the fairway. But the long grass took its toll, forcing a lot of difficult shots that ended in bogey or double bogey.

Price, who dominated world golf for two years, took advantage until he got caught in the deep rough at the 12th hole and salvaged a bogey.

Price, who has been in a mild funk most of this season, played the front nine in 33, 2-under par, and did not make a bogey until the 12th.

While many of the game's brighter stars were in pursuit, a decided longshot made an early move.

William Murchison, a 38-year-old journeyman who travels the Nike tour in a motor home with his wife and eight children, also was 2-under.

Murchison, whose 14-year-old daughter is serving as his caddy, was through six holes.

The 25-year-old Els, a winner of two South African titles and one in Dallas this season, rolled in a long putt on the fifth hole to get back to par for the tournament. He turned in a 37, however, and was back in the field.

With the majority of the field still in the clubhouse awaiting their starting times, Watson, Loren Roberts, Daly and Jeff Maggert were the early pace-setters at 1-under. Maggert was the first to finish under par today, at 1-under 69.

Daly, one of the first off the

tee, bogeyed the short second hole, but chipped in for an eagle-3 on the fifth and remained 1-under par through the turn.

He bogeyed the 11th, however, and dropped back to even.

Corey Pavin also eagled the fifth, holding a 132-yard shot. He was 1-over at the turn and finished that way with a 71.

Watson, a 45-year-old Hall of Famer who hasn't won in five years, birdied the eighth and also was 1-under through nine.

Watson, the 1982 U.S. Open winner who has been battling putting problems, bogeyed the third, got the shot back with a tough 4-footer on the fifth and then moved under par with a 7-footer on the eighth.

He dropped back to even with a bogey on the 11th.

Vijay Singh of Fiji, a two-time PGA Tour winner this year, birdied the fifth and was 1-under at the turn, but dropped a shot on the 12th. He finished even par at 70.

Roberts birdied the first hole and was 1-under through eight. Tiger Woods, the U.S. Amateur champion who just completed his first year at Stanford, was 2-over after 13 holes.

While other major tournaments have been dominated by foreign players recently, the U.S. Open has remained mostly all-American.

Of the 49 tournaments since World War II, only a handful have been won by foreigners: two South Africans (Gary Player and Els), an Australian (David Graham), and an Englishman (Tony Jacklin).

IOC Rebuffs Samaranch On Age-Limit Changes

The Associated Press

BUDAPEST — International Olympic Committee president Juan Antonio Samaranch was rebuffed Thursday in his bid to have changes made in the age-limit rules that would allow him to seek another term in 1997.

After initially backing the idea of change by 62 votes to 27, IOC members were then presented with three possible options.

In a secret ballot they chose the most radical option: scrapping the age limit altogether rather than simply exempting Samaranch from it.

And in the final vote only 57 IOC members backed the proposal, two votes short of the two-thirds majority needed to amend the Olympic Charter.

That left the mandatory retirement age for IOC members at 75.

Samaranch turns 75 in July. Under current rules, he can complete his term but will be ineligible to run again in 1997.

The IOC's director general, Francois Carrard, said the vote

showed a clear preference to change the rule but indecision about how to do it.

Trying to put the best possible face on the result, Carrard called it "a very wise decision." He insisted the result was not a defeat for Samaranch and claimed the vote was not intended to clear the way for his re-election.

"The session has clearly expressed its desire to have a change," Carrard said. "The question of the age limit had nothing to do with the re-election of the president."

"It is wrong to interpret this as a vote of no-confidence in the president. I think the president was quite satisfied with the outcome. There is no surprise. No one is surprised, including the president."

Carrard said the executive board would study the options and reconsider the issue at the session in Atlanta next year.

"The executive board has plenty of time to study other possibilities," he said.

Where the Stanley Cup Final Series Will Be Telecast, and the Schedule of Games

These are the countries and stations, according to the National Hockey League, in which the Stanley Cup Finals will be telecast either live or on tape delay. Please check local listings for time and date of the telecast in your area.

The games in the best-of-seven series: Saturday, June 17, New Jersey at Detroit, 0000 GMT (Sunday); Tuesday, June 20, New Jersey at Detroit, 0000 GMT (Wednesday); Thursday, June 22, Detroit at New Jersey, 0000 GMT (Friday); Saturday, June 24, Detroit at New Jersey, 0000 GMT (Sunday); *Monday, June 26, New Jersey at Detroit.

0000 GMT (Tuesday); *Wednesday, June 28, Detroit at New Jersey, 1130 GMT; *Friday, June 30, New Jersey at Detroit, 0000 GMT (Saturday) (* if necessary)

Albania: NBC Superchannel; Angola: ESPN (M-Net); Argentina: ESPN; Australia: ESPN; Austria: NBC SC.

Bahrain: ESPN (Orbit); Belarus: NBC SC; Belgium: NBC SC; Bermuda: ESPN (M-Net); Brazil: ESPN; Brunei: ESPN; Bulgaria: NBC SC; Burkina Faso: ESPN (M-Net); Burundi: ESPN (M-Net); Cameroon: ESPN (M-Net); Canada: CBC; Central African Rep.: ESPN (M-Net); Chad: ESPN

(M-Net); Chile: ESPN; China: ESPN; Colombia: ESPN; Congo: ESPN (M-Net); Croatia: NBC SC; Cuba: ESPN; Cyprus: LTV; Czech Republic: NBC SC/Czech TV.

Denmark: NBC SC/Kanal 2, D; Djibouti: ESPN (Orbit).

Ecuador: ESPN; Egypt: ESPN (Orbit); Equatorial Guinea: ESPN (M-Net); Estonia: NBC SC.

Finland: NBC SC/MTV3; France: NBC SC.

Gabon: ESPN (M-Net); Germany: NBC SC/Premiere/OSF; Ghana: ESPN (M-Net); Greece: NBC SC; Greenland: AFRTS; Guatemala: ESPN.

Haiti: ESPN; Honduras: ESPN; Hong Kong: ESPN.

Iceland: NBC SC; India: ESPN; Indonesia: ESPN; Ireland: NBC SC; Israel: NBC SC/ICP; Italy: NBC SC/Telepiu 2; Ivory Coast: ESPN (M-Net).

Japan: ESPN/JSC/NHK; Jordan: ESPN (M-Net).

Kenya: ESPN (Orbit); Kuwait: ESPN (Orbit).

Latvia: NBC SC; Lebanon: NBC SC; Liberia: ESPN (M-Net); Lithuania: NBC SC.

Macedonia: NBC SC; Mali: ESPN (M-Net); Mexico: ESPN; Moldova: NBC SC; Morocco: ESPN (M-Net); Mozambique: ESPN (M-Net).

Namibia: ESPN (M-Net); Netherlands: NBC SC; New Zealand: ESPN; Nicaragua: ESPN; Niger: ESPN (M-Net); Nigeria: ESPN (M-Net); Norway: NBC SC/TV Norge.

Oman: ESPN (Orbit).

Peru: ESPN; Philippines: ESPN; Poland: NBC SC; Portugal: NBC SC.

Qatar: ESPN (Orbit).

Romania: NBC SC; Russia: NBC SC/RTI.

Saudi Arabia: ESPN (Orbit); Senegal: ESPN (M-Net); Singapore: ESPN; Slovakia: NBC SC/Slovak TV; Slovenia: NBC SC; Somalia: ESPN (Orbit); South Korea: ESPN; Spain: NBC SC; Sudan: ESPN (M-Net); Sweden: NBC SC/Fennan; Switzerland: NBC SC/Premiere/OSF; Syria: ESPN (Orbit).

Taiwan: ESPN; Thailand: ESPN; Tunisia: ESPN; Turkey: NBC SC.

Uganda: ESPN (Orbit); Ukraine: NBC SC/ICTV; U.A. Arab Emirates: ESPN (Orbit); United Kingdom: NBC SC/ITV; United States: ESPN (domestic); Uruguay: ESPN.

Venezuela: ESPN.

Yemen: ESPN (Orbit).

Zaire: ESPN (M-Net); Zambia: ESPN (M-Net); Zimbabwe: ESPN (M-Net).

CROSSWORD

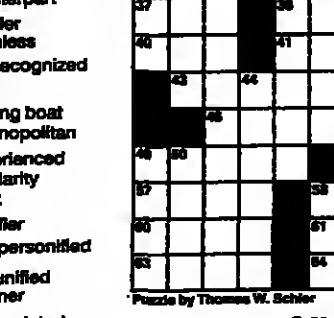
ACROSS
1 Front line, maybe
7 Scout along
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14 Grammatical connector
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16 — many words

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18 Evening in Paris
19 Whiff
21 "— won't!"
22 Boardwalk purchase
23 Schedule
25 Neck protector
27 Paycheck stub info.
29 Of the universe in its present state
33 Enthusiasm
35 Harry James' ballad
36 "— Go 'Way Mac!"
37 Villain's laugh sound
38 Rattle
39 Publisher
40 Chemical suffix
41 Celebrated jurist of the 10's-50's
43 Contributes to
45 Pound organism
46 Twenty: Prefix
47 Short short
48 Cattle breed
49 Tanker
50 Don't edict
51 Software buyer
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55 Harvest fly
56 Falls for
57 Work at, as a trade
58 Tennis player's sock

59 Part of a nuclear arsenal

5 Arise
3 Word after fire or harlequin
4 Two-handed carpenter's tool
6 Hydrocarbon group
8 Motor beater
9 W.W.II Japanese plane
10 Not clear counterpart
11 Render harmless
12 Not recognized
13 Like
14 Fishing boat
15 Commonwealth
16 Experienced
17 Solidarity
18 Meet
19 E trailer
20 Erin personified
21 In a unified manner
22 Extra printed sheets
23 Tennis star
24 Michael
25 Mythical beast in Chinese art
26 "Shave haircut" ...
27 Foyer item
28 Actress Linda
29 Speechless
30 Brightly
31 Tarnish
32 Without effort
33 Miceast
34 David Sarnoff's command, once



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Solution to Puzzle of June 15

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MOSH BENSE
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EARL OZONE LOAN
SLAY FONDA SRE

59 Sow feature
56 Plate watcher
59 David Sarnoff's command, once

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OBSERVER

The Age of Crocodiles

By Russell Baker

NEW YORK — The moderate Republicans have had it. Moderation is out — out, out, out — in the new Republican Party. Radicalism is in.

The moderates came to power in the Age of Eisenhower, flourished under Nixon and stopped Reagan from being the worst of all possible Reagans. The radicals have detested them for years. Now the radicals have the power to do something about it. This is why we see the moderates waiting politely to be fed to the crocodile.

The radicals, whose mass embodiment is Newt ("The Colossus") Gingrich, are out terribly polite. Gingrich's own style tends toward the outrageous accusation and the arrogant jeer. New Republican senators from the Gingrich mold are openly and saskily rude in saying it is time to take power from veteran committee lions like Mark Hatfield, John Chafee and Bob Packwood.

Even Bob Dole is in on a pass. A leader under constant suspicion, he must keep striking poses in order to pacify the radicals. Thus Dole not only had to campaign to help the radical Oliver North win a Senate seat in Virginia, he also had to contribute money to North's already financed campaign, and he had to break with Virginia's senior Republican Senator, John Warner, who had pronounced North unfit to represent Virginia in the Senate.

North was defeated, but Dole paid his dues to the radicals. Senator Warner, now dangerously identified as a moderate, is already targeted for radical attack if he runs again.

Political analysts have been

calling the radicals "populists," which gets it all wrong. The populist movement of the late 19th and early 20th centuries was a rebellion of dead-broke rural interests against Eastern money power.

Regionalism figures in the radicals' dislike of the moderates. Radical Republicanism is rooted in the West and in a South where a long, delicate Republican flirtation with racist politics has given the party a solid new regional homeland.

In moving south and west, a once conservative Republicanism has acquired some new-fangled, unconservative characteristics. In the old days, for instance, the East was the home office of internationalist, hard-money Republican moderates.

Now hard money and internationalism are pretty much gone. The radicals tend to be isolationist. Though they talk a lot about balancing the budget, the fact is that despite running up the father and mother of all deficits under Reagan, they still flit with pipe dreams of raising revenue by cutting taxes. Is this a soft-money policy, or what?

The Republican moderates apparently have no spirit left to fight for a place in the party. No one — certainly not Dole — seems disposed to challenge Gingrich's idea of what the Republican future must be.

The radicals, who have long wanted the modern age undone, believed Reagan would undo it if only the dead hand of moderation could be got out of the White House. "Let Reagan be Reagan," was their cry. Their dream was of Genghis Khan with a California tan.

It was unfulfilled. Now, with moderates going to the crocodile, a glorious return to 1928 seems possible at last.

The New York Times.

George Jones: On the Road Again With Tammy

By Nicholas Dawidoff

New York Times Service

FRANKLIN, Tennessee — It was a perfectly ordinary spring day in the rolling middle Tennessee hills, which is just the sort of day that George Jones prizes. He had arisen at his customary 6 A.M., and soon thereafter was aboard his tractor cutting the grass, as he does every morning that he is at home.

Jones strongly believes that a man should treat his lawn as he treats himself, and so after the mowing was done, he had submitted his locks to their own daily clipping by his long-time barber, Ray Gregory.

Then Jones had slipped behind the wheel of one of the seven vehicles he owns that sport "NOSHOW" license plates — today it was the NOSHOW2 BMW sedan — and zipped into town to purchase the taco that he eats every day for lunch. At some point he had also managed to exchange endearments with his wife, Nancy — he calls her "Legs," she calls him "Possum" — and pleasantries with Pee Wee Johnson, his faithful man Friday, who favors "IDOSHOW" license plates on his car.

Later, Jones would settle down for a little television before crawling into bed by 10. "I am," he said, "a TV nut." Just now, however, he was seated poolside out on the patio behind the 4-bedroom, 7-bathroom, 12-column tan brick manse that he and Nancy designed by thumbing through a magazine until something caught their eye.

Jones, whom many people consider the finest country singer there ever was, had recently completed the vocal tracks for "One," a series of duets with his former wife and long-time singing partner, Tammy Wynette. Now he could relax a bit and turn his mind to other things.

And so it was that he was discussing George Jones Country Gold dog food. For the noncanine, but generally less than absorbing, but the effect of his words was mesmerizing. "I think it has the same nutrition and ingredients that are in other pet foods

for a lot less price," he began, and his guests were rapt.

It was the voice, of course. Jones calls himself "a simple man," and until he opens his mouth, he really is your average short, portlanded fellow with a beyond-kempt head of hair and beady dark eyes set possum-close together.

Listening to Jones sing a mournful country ballad is something beyond that. "If we could all sound like George Jones," wrote the country singer Waylon Jennings, and Jennings has never endured much argument.

If you listen to too much of Jones on a gray day, you will understand why, from the time he was a teenager singing to the stevedores and the roughnecks in Texas honky-tonks, he has been able to reduce just about anyone to one drink, just one more, and then another.

The sad songs got to him, too. In country music, a vocation in which the bibulous have always been well represented, Jones is nearly as legum as he is a drinker, just one more, and then another.

By the late 1970s, he was bombed so often that, as the old George Jones song goes, with the blood from his body he could have started his own still. For Jones, drinking was always part of the territory, and at first that territory was Texas.

Born with a broken arm in 1931, he grew up in hard-scrabble oilfield settlements like the town of Saratoga.

His Sunday school teacher showed him his first guitar chords. Listening to Roy Acuff, Lefty Frizzell and Hank Williams on the radio taught him to sing country. "I wanted to sound like Hank, but I phrased like Lefty," he said. "You put them all together, and your own heart and soul. Well, I think there's three people every day. You find out what you love the most growing up, and you don't lose it."

By his early teens, the family was living in Beaumont and Jones was singing in the streets for change. "One time I was playing at the entrance of a penny arcade on a Sunday afternoon," he said. "I was sitting on a shoeshine stand playing my guitar



Jones at home signing promotional material with Tammy Wynette.

just to entertain my own self. Pretty soon there was 8 or 10 or maybe a dozen people stopped to listen. Afterwards they threw nickels, quarters and dollar bills at me.

"I added it all up. It was \$24. I never seen that much money in my life. I gave those pinball machines hell that day. I carried my guitar" — he pronounces it GITT-ah — "everywhere. All the bus drivers knew me. I'd go to the rear and they'd say 'sing,' and I'd ride for free."

Jones was 24, and already a twice-married former house painter, shoeshiner and soda-truck driver when

the up-tempo "Why, Baby, Why" became his first Top 5 country hit.

He has since recorded plenty of other hit numbers, from the whimsical ("Who Shot Sam") to the sullenly clever ("The Race Is On"), but the slow songs, wrenching ballads of disintegrating love like "A Good Year for the Roses" and "The Grand Tour," serve him best.

It's the way he lingers on a single word, kneading it for a sadness you didn't know was there, that transforms banal, even trite, lyrics into something intensely moving. Couple such phrasing with the sprawling reg-

isters of a voice that lost some of its nasal timbre as it deepened with age and you have a formidable instrument for expressing despair.

To see him today, sun-tanned and congenial beneath the well-groomed lacquer of hair, it is nearly impossible to imagine that during the 1960s and '70s, Jones put himself through a farrago of self-destruction that included being arrested, filing for bankruptcy and finding himself committed to a padded cell. The simple man was a master of the baroque indiscretion.

"I guess where I really started feeling down was when I got my divorce from Tammy," he said. Jones is said to dislike discussing his more sordid travails, but here in the spring sunshine, he was calm and frank.

His new album with Wynette is being billed as the team's musical reunion after a 17-year sabbatical. That's not precisely accurate — they recorded "Golden Ring" last year — but never mind: country music loves a sentimental moment.

"One" is certain to provide a few more of them this summer when Jones and Wynette go on tour together, something they truly haven't done in almost two decades. Jones isn't looking forward. He has made his peace with Wynette, but life as a country legend keeps him touring 165 days a year, and he is weary of bus travel.

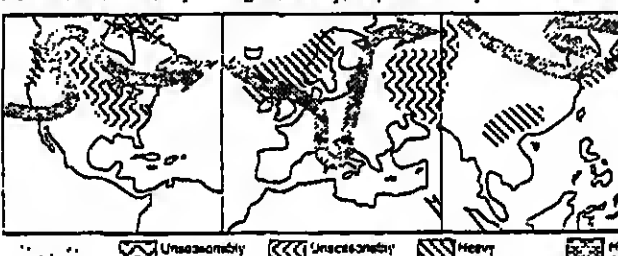
Some people fear old age. Not Jones. He gazes out the bus window at the ribbons of highway and thinks about all the things he will do back in Franklin.

He had triple-bypass surgery on Sept. 12, his 63d birthday, so there will be miles to walk on his new treadmill. Also, there are pages of his autobiography — working title: "I Lived to Tell It" — to draft, cars to buy and dog food to hawk.

And there is the yard. In "A Good Year for the Roses," Jones sang, "The lawn could stand another mowin', funny I don't even care," but these days life definitely does not imitate art. "I relax at home trying to cut all this grass," he said. "I'm not no night owl like I used to be. I'm just a homebody now."

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.



North America
Very warm, mainly rain-free weather is expected from Pittsburgh through Chicago and into Wisconsin. Scattered afternoon thunderstorms will attempt to express the heat in Denver. Los Angeles will be dry, but showers will continue in both Portland and Seattle.

Europe
The weather will be quite unrelaxed across the British Isles eastward into Scandinavia with periods of rain and at times a gusty wind. Paris and Madrid will be mainly rain-free and seasonable. A few showers will dampen parts of Italy northward through Poland.

Asia
An area of rain will soak portions of Japan, mainly from Tokyo southward. Beijing and Shanghai will be mostly rain-free and warm. There will be little more than a passing shower in Seoul. Rather tranquil weather will continue in Hong Kong, with just the chance for a bit of rain.

Middle East

Africa

Latin America

Oceania

Europe

Asia

THE release of Michael Jackson's new album, the culmination of a vigorous public relations campaign that sought to repair his damaged reputation, is causing the singer a different kind of problem — accusations that the lyrics, which include a slur word, are anti-Semitic. "The song in fact is about the pain of prejudice and hate and is a way to draw attention to social and political problems," Jackson said on ABC's "Prime Time Live." "I am the voice of everyone." He was appearing with his wife, Lisa Marie Presley-Jackson. It was the couple's first interview since their May 1994 marriage and timed to coincide with the release of the album. As interviewer Diane Sawyer edged up to the big question, Presley-Jackson blurted: "Do we have sex? Yes! Yes! Yes! Yes!" They said they share the same bedroom and denied the child molestation allegations against Jackson. "How can you take 24 hours a day?" Presley-Jackson asked.



Carrey: Riddler and money king.

Cardinal Albert Decourtray, the archbishop of Lyon who died in September.

Princess Stéphanie of Monaco is soon to

marry her ex-bodyguard companion after persuading her father, Prince Rainier, to drop his opposition, according to the weekly Paris Match. A spokesman for the palace declined to comment on the report except to note that rumors of a marriage between Stéphanie and Daniel Ducruet, who has two children, had repeatedly proved wrong in the past.

Jim Carrey, who will debut Friday in the Riddler in the movie "Batman Forever," will reportedly get \$20 million to star in the forthcoming movie "Lemony Snicket's A Series of Unfortunate Events."

Sir Andrew Lloyd Webber received the 1995 Praemium Imperiale prize for achievement in music from the Japan Art Association on Thursday. Four other awards, each worth 15 million yen (\$175,000), went to: Matia (painting); Christo and his wife and co-worker, Jeanne-Claude (sculpture); Nakamura Utaemon VI (theater/film); and Renzo Piano (architecture).

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